CANADIAN 50 ADVANTAGED PREFERRED SHARE FUND

Annual Report

March 31, 2015

CANADIAN 50 ADVANTAGED PREFERRED SHARE FUND MESSAGE TO UNITHOLDERS

June 29, 2015

Dear Investor,

We are pleased to provide you with the annual report for the Canadian 50 Advantaged Preferred Share Fund (the "Fund") for the year ending March 31, 2015.

The Fund's investment objectives are to provide:

(i) tax-advantaged quarterly cash distributions consisting primarily of returns of capital, and

(ii) low-cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index.

The BMO Capital Markets 50 Preferred Share Index (the "BMO Index") is a market value weighted index created in 1992 to provide a benchmark representing the Canadian preferred share market and includes 50 Canadian preferred share issues that are listed on the TSX which satisfy specific inclusion criteria. BMO Asset Management Inc. is the portfolio manager and has considerable experience managing both preferred shares and index strategies.

Preferred shares relative performance for the year was hurt by both their equity-like response to market risks in the late summer and fall of 2014 and their negative reaction to falling short and medium-term rates and rate expectations in the first quarter of 2015. The fund's leverage, which remains inexpensive compared to the yield earned on the portfolio, created a drag on performance as a result of falling preferred share prices.

The Fund's Class A Units returned -4.51% for the year while the Fund's underlying index "S&P/TSX Preferred Share Index" returned -1.04%. The Fund's use of leverage generated higher coupon payments but also weighed on performance as the average market price of the portfolio's preferred shares declined by over 6.0%. Leverage stood at 30.85% of the total portfolio on March 31st. NAV per unit fell from $21.57 to $19.46 and the fund paid distributions totalling $1.21. The quarterly distribution was reduced to $0.27 in March 2015, to account for lower net portfolio yields, giving an annualized market yield of 5.2% on the Class A units, equivalent to a pre-tax income yield of 8.2%.

We appreciate your investment in the Fund. Please check our website for future quarterly updates.

Yours truly,

W. Neil Murdoch
Chief Executive Officer
Aston Hill Capital Markets Inc.

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of Fund performance for **Canadian 50 Advantaged Preferred Share Fund** (the "Fund") contains financial highlights but does not contain the complete annual financial statements of the Fund. **The annual financial statements and accompanying notes are attached to this report.**

You can obtain a copy of the 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.

Securityholders 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 STRATEGY

The Fund is an investment Fund established under the laws of the Province of Ontario and governed by the Trust Agreement between the Manager of the Fund and RBC Investor Services Trust (the "Trustee") dated April 24, 2012. The Fund's principal office is located at 77 King Street West, Suite 2110, P.O. Box 92, Toronto, Ontario. The fiscal year-end of the Fund is March 31. Beneficial interest in the net assets and net income of the Fund is divided into units of two classes, Class A Units (the "Class A Units") and Class F Units (the "Class F Units"). The Class A Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol CPF.UN. The Class F Units are not listed on a stock exchange but may be converted into Class A Units on a weekly basis. The principal differences between the Class A Units and the Class F Units are that the Agents' fees payable with respect to the original issuance of the units were lower for the Class F Units and that the Class F Units are not listed on the TSX but are convertible into Class A Units on a weekly basis.

The Fund's investment objectives are to provide:

(i) tax-advantaged quarterly cash distributions consisting primarily of returns of capital, and

(ii) low-cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index.

Distributions are initially targeted to be $0.3125 per Unit per quarter, representing an initial yield on the Unit issue price of 5.0% per annum.

In order to achieve the Fund's investment objectives, the Fund obtained exposure to the Portfolio (the "Portfolio") through the forward agreement entered into with the Bank of Montreal (the "Counterparty"). The Portfolio is managed by BMO Asset Management Inc. (the "Portfolio Manager"), it provides a total return approximating that of the BMO Capital Markets 50 Preferred Share Index (the "Preferred Share 50 Index") and is predominantly invested in Canadian preferred share issues with a P-1 or P-2 rating from Standard & Poor's ("S&P"). The scheduled forward termination date will be on or about May 18, 2017.

The Preferred Share 50 Index is a market value weighted index created in 1992 to provide a benchmark representing the Canadian preferred share market and includes 50 Canadian preferred share issues that are listed on the TSX which satisfy specific inclusion criteria including minimum issue size of $100,000,000, minimum credit rating of P-3 by S&P and maximum weighting of any issuer. The Preferred Share 50 Index is rebalanced annually. In addition, the Preferred Share 50 Index Committee continually reviews and may adjust the Preferred Share 50 Index constituents at its discretion to ensure that the Preferred Share 50 Index reflects the composition for the Canadian preferred share market.

The Fund does not invest directly in the Portfolio, the Fund used the net proceeds of the initial public offering of its Class A and Class F Units to pre-pay its purchase obligations under a forward purchase and sale agreement (the "Forward Agreement") with the Bank of Montreal (the "Counterparty" or "BMO") (whose credit rating is A+ by S&P as of March 31, 2015). Under the Forward Agreement, the Fund will, on or about the Forward Termination Date, acquire the Canadian Securities Portfolio from the Counterparty having an aggregate value equal to the value of the Portfolio, net of any amount owing by the Fund to the Counterparty. A fee of up to 0.20% per annum, calculated with reference to the Net Asset Value of the Portfolio, is payable monthly to BMO under the Forward Agreement.

In March 2015, the quarterly distribution rate for the Fund was reduced from $0.3125 per Unit to $0.27 per Unit. As the Fund provides low cost exposure to the total return approximating that of the Preferred Share 50 Index, the change in the distribution rate was consistent with the income opportunities produced by the Preferred Share 50 Index and by employing leverage as well as the Forward Agreement to generate tax-efficient income.

RISK

Changes in the risk exposure of the Fund occurred in the following areas:

Use of leverage

The Fund's exposure to the Portfolio through the Forward Agreement can be increased by up to 33% of the value of the Portfolio after giving effect to leverage. The use of leverage has the potential to enhance or reduce returns.

During the year ended March 31, 2015, the leverage used to increase the Fund's exposure to the Portfolio by amounts ranging from $25,788,000 to $37,418,000 or as a percentage ranged from 25.46% to 32.40% of the value of the Portfolio. The related interest expense during the same period was $429,018. As at March 31, 2015, the borrowed balance was $25,788,000 and the leverage factor was 30.85% (During the year ended March 31, 2014, bank indebtedness was used to increase the Fund's exposure to the Portfolio by amounts ranging from $37,418,000 to $43,318,000 or 27.61% to 30.71% of the value of the Portfolio. The related interest expense during the same period was $542,558. As at March 31, 2014, the borrowed balance was $ 37,418,000 and the leverage factor was 29.94%).

For full disclosure of risks associated with an investment in the Fund's units, please refer to the Prospectus dated April 24, 2012 or to the Fund's Annual Information Form. Both are available at www.astonhill.ca and 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 April 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 April 1, 2013 and throughout all years presented in its annual financial statements, as if these policies had always been in effect. Note 18 to the annual financial statements dated March 31, 2015 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 March 31, 2014 prepared under Canadian GAAP.

Federal Budget Announcement

On March 21, 2013, the Minister of Finance announced proposals in a federal budget that would treat the gain realized by a mutual fund under forward agreements such as the one entered into by the Fund as ordinary income rather than a capital gain, if the forward agreement was entered into or extended on or after March 21, 2013. On July 11, 2013, the Department of Finance announced proposed technical changes to the transitional rules related to character conversion transactions announced in the federal budget. One of the announced changes includes the extension of the transition period for short-term agreements. The extended grandfathered period allows investment Funds, whose forward agreements were entered into prior to March 21, 2013 and the terms of which provide for settlement or are a part of series of agreements that provide for settlement prior to 2015, to extend their forward agreements until end of 2014. For longer-dated forward agreements, the grandfathering transitional period will not extend beyond March 21, 2018. Grandfathering is subject to certain growth rules with which the Fund intends to comply. The federal budget, part of Bill C-4, was enacted into law on December 12, 2013.

Pursuant to the material changes as mentioned in "Investment Objective and Strategies" above, the Forward Agreement will remain until its scheduled termination on May 18, 2017, as a result of the above mentioned changes to the Income Tax Act, the Forward Agreement will be terminated and the Fund will hold the Portfolio held by BMO directly.

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 Manager 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 Manager 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.

Portfolio Manager's Commentary (June 2015)

Performance

The Fund's Class A Units returned -4.51% for the year while the broader S&P/TSX Preferred Share Index returned -1.04%. The Fund's use of leverage generated higher coupon payments but also weighed on performance as the average market price of the portfolio's preferred shares declined by over 6.0%. Leverage stood at 30.85% of the total portfolio on March 31st. NAV per unit fell from $21.57 to $19.46 and the fund paid distributions totalling $1.21. The quarterly distribution was reduced to $0.27 in March 2015, to account for lower net portfolio yields, giving an annualized market yield of 5.2% on the Class A units, equivalent to a pre-tax income yield of 8.2%.

Market Conditions

The Fund outperformed in the spring of 2014 as interest rates fell and both fixed income and equities rallied. The ten-year Canada yield declined 21 basis points to 2.25%, and the S&P/TSX Capped Composite index returned 6.3% from March to June. The S&P/TSX Preferred Share. Index returned 2.7% and the fund, 3.1%. During the summer, the Fund's portfolio, which omits preferred shares rated below P-3, trailed the broad preferred share market slightly in an environment of low volatility and low risk aversion, which favoured higher-yielding issues. Interest rates continued to fall and equities performed well; the Canada 10-year yield bottomed at 1.99% at the end of August and the S&P/TSX Capped Composite Index returned 3.0% from June 30th to Labour Day.

Markets turned volatile in September, as robust risk appetite gave way to nerves rooted in the halt of the US Federal Reserve's QE3 asset purchases, slow global economic growth accompanied by flagging demand for commodities, and a renewed focus on geopolitical risks. The ten-year Canada yield spiked 30 basis points by mid-month, and the entire Preferred Share. market was knocked back regardless of rating. Widening credit spreads and falling equity prices in late September kept preferred shares from rallying in response to rebounding bond prices late in the month. With preferred shares trading down across the board, the Fund's leverage caused performance to lag the indexes. Standard & Poor's late September move to downgrade bank contingent capital internationally, including Canadian bank preferred shares, may also have weighed on the fund's bank-heavy portfolio at the end of September.

Securities markets endured a volatile fourth quarter, with energy and materials stocks hostage to dramatic commodity price moves. Government bonds rallied further, and the 10-year Canada yield fell to 1.79% by year's end. The S&P/TSX Composite showed resilience in ending down just 1.5%; the S&P/TSX Preferred Share Index returned -0.25%. Oil dominated international business headlines, as the Brent crude benchmark dropped over 50% between September and January, creating significant uncertainty for high price oil producers. Sovereign debt yields hit record lows reflecting an economic backdrop of low growth and inflation that persisted in spite of the stimulus from the lowest oil prices in 5 years and almost universally accommodative monetary policy. Through much of the first quarter of 2015, investors in German, Swiss and Japanese 5-year government bonds were paying rather than receiving interest on their holdings.

Preferred share prices fell again in the first quarter of 2015, pushed down by investors' strong reaction to falling short-term rates, and particularly to the Bank of Canada's surprise January rate cut. A weaker Canadian economic outlook, in large part the result of the drop in the price of oil, brought the fear of lower future rates to the forefront. While low rates are generally positive for fixed income prices, falling short-term rates hurt floating rate shares as the basis for their coupon payments drops. In addition, an expectation of lower rates in the medium term weighs on fixed-reset shares, increasing the probability that coupon rates will be set lower on the shares' call dates. The portfolio's floating rate holdings had an average price drop of 11.7% for the quarter, and fixed-resets, which make up 57% of the portfolio, were down 8.4%.

Preferred shares relative performance for the year was hurt by both their equity-like response to market risks in the late summer and fall of 2014 and their negative reaction to falling short and medium-term rates and rate expectations in the first quarter of 2015. The Fund's leverage, which remains inexpensive compared to the yield earned on the portfolio, created a drag on performance as a result of falling preferred share prices.

Portfolio

The portfolio's overweight exposure to floating rate preferred shares heading into the first quarter of 2015, at 7.0% of the portfolio versus 1.9% for the underlined S&P/TSX Preferred Share Index, hurt relative performance as rates went lower over the quarter. Floating rate securities are a hedge against rising rates, something the market has consistently expected for several quarters and which has been pushed off repeatedly as the global economy continues to miss expectations. The Fund's floating rate share prices dropped 11.7% on average in 2015's first quarter for a -11.4% price performance over the twelve months. The portfolio's fixed-reset shares, a category which continues to dominate new issuance, had their prices fall an average 8.4% in the first quarter of 2015, and 10.3% for the full year, as expectations for lower rates over the coming two to three years had a significant impact.

	Percent of portfolio (March 31, 2015)	**One-year total return**	**One-year price return**
Retractables	4.9%	3.5%	-1.3%
Straight perpetuals	30.8%	8.0%	3.0%
Fixed reset	57.2%	-6.2%	-10.3%
Floating	7.0%	-8.7%	-11.4%

Portfolio changes

There were twelve substitutions in the portfolio during the year, most of which resulted from the redemption of 5-year fixed-reset shares issued with high coupons during and just after the financial crisis. Half the portfolio's new issues were of a type specific to the banks called non-viable contingent capital (NVCC) compliant. A requirement under the Basel III rules currently being phased in, NVCC-compliant shares convert to common equity if a banks capitalization sinks below a pre-set level.

Added:		**Removed:**	
BCE Series AE BCE.PR.E	Floating rate, converted from the fixed rate AF series February, 2015	**BCE Series AF** BCE.PR.F	5-year fixed-reset shares reset February, 2015
TD Series 3 TD.PF.B	NVCC-compliant 5-year fixed-reset issued July, 2014, paying 3.80%	**TD Series O** TD.PR.O	Perpetual, redeemed on October 31, 2014
BMO Series 27 BMO.PR.S	NVCC-compliant 5-year fixed-reset issued April, 2014	**BMO Series 23 (**BMO.PR.P)	Redeemed February 2015. This issue did not meet bank capital requirements.
TransCanada Corp. Series 2 TRP.PR.F	Floating-reset converted from TRP.PR.A January 2015	**TransCanada Corp. Series 1** TRP.PR.A	Fixed-reset converted January 2015
CIBC Series 39 CM.PR.O	NVCC-compliant fixed-reset issued June 2014.	**CIBC Series 33** CM.PR.K	Fixed-reset redeemed July, 2014
Manulife Series 17 MFC.PR.M	5-year fixed-reset issued August, 2014.	**Manulife Series 1** MFC.PR.E	Fixed-reset redeemed September, 2014
Fortis Inc. Series M FTS.PR.M	5-year fixed-reset shares issued September 2014.	**BAM Series 22** BAM.PR.P	Brookfield Asset Mgt. fixed-reset redeemed September, 2014

Great-west Life Series H GWO.PR.H	Fixed rate perpetual issued August, 2005	**BNS Series 13** BNS.PR.K	Retractable redeemed July, 2014
Royal Bank Series AZ RY.PR.Z	NVCC compliant 5-year fixed-reset issued January. 2014	**TD Series AK** TD.PR.K	Fixed-reset redeemed July, 2014.
BAM Series 32 BAM.PF.A	Brookfield Asset Management fixed reset issued in March, 2102	**CIBC Series 35** CM.PR.L	Fixed-reset redeemed April, 2014
National Bank Series 30 NA.PR.S	NVCC compliant 5-year fixed-reset shares issued February, 2014	**Manulife Series 4** MFC.PR.D	Fixed-reset redeemed June, 2014
Toronto-Dominion Series 1 TD.PR.A	NVCC compliant 5-year fixed-reset issued June 2014	**TD Series AG** TD.PR.G	Fixed-reset redeemed April, 2014

Within the portfolio, straight perpetual preferreds did well as rates came down, returning 8.0% for the year to March. Retractables, which can be sold back to their issuers from time to time on pre-set terms, returned 3.5% for the full year. Floating rate shares, which should do best in a rising rate environment, were hit hard as short term rates fell, returning -8.7% over the twelve months. Fixed-reset shares, which continue to dominate new issuance, returned -6.2% as expectations for lower rates over the coming two to three years had a significant impact. Leverage detracted from the fund's relative performance as preferred share prices fell during the year, with portfolio share prices off an average of 6.1%, but continued to add to net dividend income. The Portfolio's market yield, at 5.7%, remains well above the Preferred Share 50 Index's 4.6%.

Security type	Percent of portfolio March 31, 2015	Running yield March 31, 2015
Fixed reset	57.2%	4.57%
Straight	30.8%	4.78%
Floating	7.0%	3.52%
Retractable	4.9%	4.69%
Portfolio	100.00%	4.57%

S&P Criteria Change Results in Downgrades for Bank Preferred Shares

Standard and Poor's published new rating criteria for bank hybrid securities in September, and followed through by downgrading hundreds of issues worldwide, including 68 Canadian bank preferred shares. Preferred shares issued by Laurentian Bank, BMO, BNS, CIBC, National, TD and RBC were downgraded by one notch, and HSBC Bank Canada's preferred share rating was lowered by two notches. The new criteria came about as regulators shift more of the burden of bank failure onto investors. According to S&P:

"The downgrades reflect our view that regulators in Canada and elsewhere are adopting a tougher "bail-in" stance (where investors share in the cost of a government's rescue of a failing bank) toward hybrid capital instruments compared with our expectations in late 2011. This increases the possibility that banks might have to use hybrid capital instruments to a greater extent to absorb losses, for example, through coupon nonpayment or conversion to common equity. We believe new regulations position regulators to stop banks from making their payments to hybrid capital investors at what we consider to be earlier-than-before points in the deterioration of a bank's financial strength."

Economic Environment

Uneven performances across major economies, slow growth and low inflation have characterized markets in recent months, carving out a centre-stage role for the central banks. Disparity in economic performance is highlighted by the prospect of America and, to a lesser extent, Britain anticipating monetary policy tightening in 2015 or early 2016, just as the ECB and Japan embark on huge stimulus programs via quantitative easing. Strong relative growth sent the US dollar soaring: the US Dollar Index, which compares the greenback to a basket of major currencies, climbed 9.0% during the first quarter of 2015 and was up 23.3% since the June 2014. Both bond yields and policy interest rates remain at or near record lows through much of the globe, and 20 central banks cut short-term interest rates during the first quarter.

The IMF's April World Economic Outlook pointed to near-term stronger growth in developed economies and a weakening of emerging markets. Over the medium term, the IMF now sees a weaker outlook across the board. Asset prices have generally responded improbably well to this environment, and many major equity indices are at or near record highs. However, slow growth, including the slowdown in investment in China, led to a decline in the price of most commodities. Most notably, the price of crude oil ended the period down over 50% from its mid-2014 levels, transferring substantial income from oil producers to oil consumers. High levels of debt (debt outstanding in the world's 12 largest economies is now 50% higher than in 2007, according to the Bank for International Settlements), possibly overheated equity and bond markets, languid global productivity growth and regional factors including Greece's precarious foothold in the Eurozone, continue to conspire to keep growth expectations, and thus rates, low.

Oil was the key story for the Canadian economy, as the price drop quickly showed an effect on terms of trade and GDP. The Bank of Canada (BofC) cut its overnight rate to 0.75% in January, a move that surprised the market, amid concern that recovery to full capacity and stable inflation in the 2.0% range had been significantly delayed by the oil price impact. The BofC recently estimated GDP growth to have been zero in the first quarter.

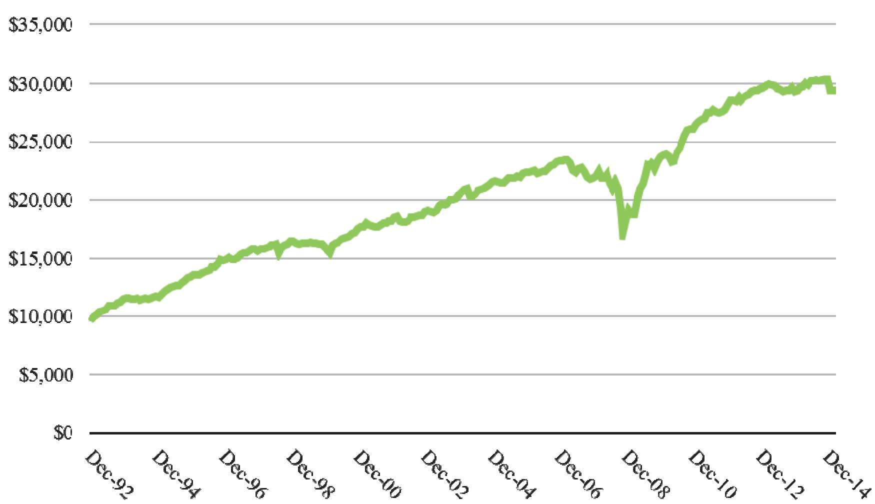
Beyond the energy sector, the economy appears to be benefitting from the fallen loonie, which was down 11.6 cents for the year, to 78.9 cents US. Not only are exports climbing, but exporters are beginning to hit capacity constraints. That sets up the potential for a sorely needed increase in business investment, which may help offset the decrease in investment in the oil and gas sector. Core inflation, which excludes volatile items like food and energy, is running at near 2.0%, with an impact of 0.3% to 0.4% from higher import prices, according to the Bank's April Monetary Policy Report. The employment picture appears to be robust against the backdrop of a slowing oil industry, with the unemployment rate steady at 6.8% and both underemployment and long-term underemployment on improving trends.

About the Index

The BMO Capital Markets 50 Preferred Share Index was established in 1992 as a benchmark to represent the Canadian preferred share market. Preferred share issues may be included in the index if they have a minimum notional size of $100 million, are TSX-listed and are rated at least P-3 by S&P. The index is market capitalization weighted, with a maximum representation in the index for any one issuer of 12%. Synthetics, such as split shares, do not qualify. Of the issues that qualify for the index, the BMO Preferred 50 Index Committee selects 50 to be included. The index is rebalanced annually at the end of the calendar year, and may otherwise be adjusted at the committee's discretion to ensure it reflects the composition of the Canadian preferred share market.

Value of $10,000 Invested in the Index at Inception

(December 31, 1992)



CAPITAL TRANSACTIONS

On May 18, 2012, the Fund completed an initial public offering pursuant to a Prospectus dated April 24, 2012. $60,000,000 was raised through the issue of 2,400,000 Class A Units and $5,043,700 was raised through the issue of 201,748 Class F Units.

On June 8, 2012, the Agents exercised an over-allotment option in respect of 94,623 Class A Units, raising a further $2,365,575. Agents' fees and other issue expenses totalled $4,002,676.

On December 5, 2012, the Fund closed a treasury offering on the Class A Units and Class F Units pursuant to a Prospectus for a treasury offering dated November 28, 2012. $45,010,500 was raised through the issue of 1,850,000 Class A Units and $2,592,839 was raised through the issue of 105,787 Class F Units. The treasury offering was non-dilutive to the net asset value per unit of the existing Unitholders.

On December 20, 2012, the Agents exercised an over-allotment option for the treasury offering in respect of the Class A Units. An additional $2,301,180 was raised through the issue of 94,582 Class A Units. Agents' fees and other issue expenses for the treasury offering totalled $2,286,157.

During the year ended March 31, 2015, there were 19,800 Class F Units converted into 19,876 Class A Units for a total value of $429,032. There were also redemptions of 1,057,747 Class A Units total payment of $23,023,556 and 8,720 Class F Units for $206,160 during the same period (during the year ended March 31, 2014, there were 19,349 Class F Units converted into 19,977 Class A Units for a total value of $449,825. There were also redemptions of 746,762 Class A Units for total payment of $16,549,754 and 403 Class F Units for $ 9,225 during the same period).

MARKET REPURCHASES

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Class A Unit not exceeding the most recently calculated Net Asset Value per Class A Unit immediately prior to the date of any such purchase of Units.

During the year ended March 31, 2015, no units were purchased for cancelation (During the year March 31, 2014, the Fund purchased 15,200 Class A Units for cancellation for a total value of $323,280).

DISTRIBUTIONS

The Fund does not have a fixed quarterly distribution amount but it sets distribution targets based on the Manager's, in consultation with the Portfolio Manager, estimate of expected returns on the Portfolio for the period.

The quarterly distribution rate for the Fund was reduced from $0.3125 per Unit to $0.27 per Unit as of March 2015. As the Fund provides low cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index, the change in the distribution rate was consistent with the income opportunities produced by the BMO Capital Markets 50 Preferred Share Index and by employing leverage as well as the Forward Agreement to generate tax-efficient income.

During the year ended March 31, 2015, the Fund paid distributions of $1.21 per Class A Unit and Class F Unit respectively (the Fund paid distributions of $1.25 per Class A Unit and Class F Unit respectively during the year ended March 31, 2014.). The current distribution amount represents an annualized current yield of 5.0% based on the initial offering price of $25.00 per Unit.

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 year ended March 31, 2015.

RELATED PARTY TRANSACTIONS

Management Fees

The Manager receives a management fee approximately equal to 0.50% per annum of the applicable Net Asset Value, by virtue of the following: (i) the Manager receives a management fee from the Fund equal to 0.40% per annum of the Net Asset Value, calculated and accrued daily and payable monthly in arrears, plus applicable taxes; and (ii) the Counterparty retains the Manager to establish and maintain the Portfolio and the amount of the Portfolio is reduced by 0.10% per annum, representing the fee paid by the Counterparty to the Manager to maintain the Portfolio. The Manager is responsible for paying the fees of the Portfolio Manager out of this amount of net asset value.

The management fees charged to the Fund during the year ended March 31, 2015 were $311,917 ($398,504 for the year ended March 31, 2014).

IRC Fee

The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

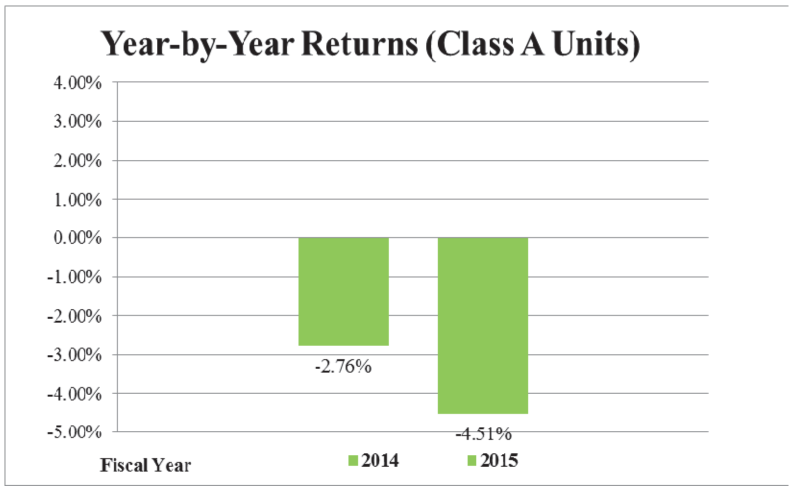
The IRC members each receive $15,000 per annum ($20,000 for the Chairman) plus $1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment Funds that are managed by the Manager in a manner that is fair and reasonable.

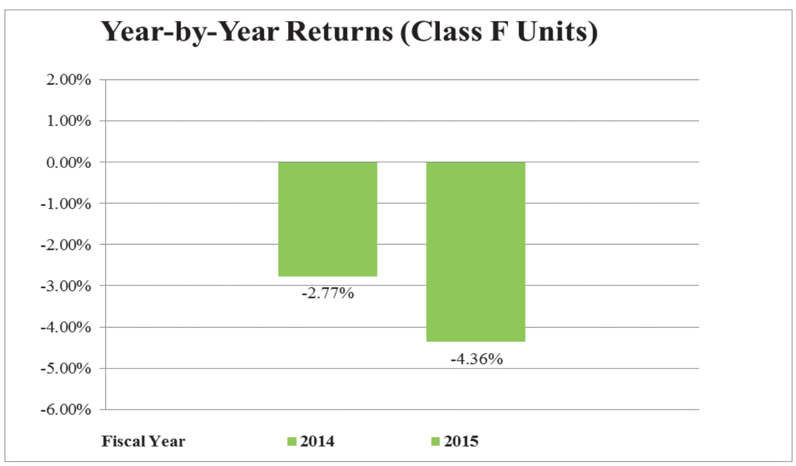
Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. During the year ended March 31, 2015, administration fees amounted to $ 26,257 ($25,011 during the year ended March 31, 2014).

PAST PERFORMANCE

The following bar chart and table shows the Fund's annual performance of the Class A Units and Class F Units by showing both annual returns by fiscal year and annualized compound returns from inception assuming all the distributions made by the Fund during the year 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 chart shows, 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.





Annual Compound Returns

	Past Year	Since Inception [1]
Based on NAV (Class A Units)	-4.51%	-0.57%
Based on share price (Class A Units)	-3.14%	-3.72%
Based on NAV (Class F Units)	-4.36%	-0.89%
S&P/TSX Preferred Share Index	-1.04%	0.97%

(1) Annualized for the period from May 18, 2012 (commencement of operations) to March 31, 2015.

The S&P/TSX Preferred Share Index is the broadest and most widely used benchmark to measure of performance of virtually all of the outstanding marketable Canadian preferred shares in the Canadian market.

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 annual financial statements:

Class A Units:

The Fund's Net Assets per Class A Unit:	March 31, 2015	March 31, 2014	March 31, 2013[1]
Net Assets, beginning of period[6]	**21.57**	**23.49**	**25.00**
Unit issue expense [2]	–	–	(1.86)
Increase (decrease) from operations:			
Total revenues	–	–	–
Total expenses	(0.19)	(0.30)	(0.27)
Realized gains (losses) for the period	0.39	0.09	0.02
Unrealized gains (losses) for the period	(0.68)	(0.50)	1.56
Total increase (decrease) from operations [3]	**(0.48)**	**(0.71)**	**1.31**
Distributions:			
From income	–	–	–
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	(1.21)	(1.25)	(1.08)
Total Distributions [4]	**(1.21)**	**(1.25)**	**(1.08)**
Net Assets, end of period [5] [6]	**19.46**	**21.57**	**23.49**

(1) Results for the period from May 18, 2012 (commencement of operations) to March 31, 2013.

(2) Issue expenses of $6,078,682 were incurred in connection with the Class A Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.

(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 3,495,308 units outstanding as of March 31, 2015 (March 31, 2014 – 4,338,649).

(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 April 1, 2013. Starting April 1, 2013 and onwards, this information is restated under IFRS.

Ratios and Supplemental Data (Class A Units):	March 31, 2015	March 31, 2014	March 31, 2013[1]
Net assets (000's)	54,564	82,884	107,667
Number of units outstanding	2,804,632	3,842,503	4,584,488
Base Management expense ratio (annualized) [2] [3]	0.86%	0.80%	0.83%
Issue expenses ratio [2] [3]	0.00%	0.00%	7.97%
Interest expense ratio (annualized) [2] [3]	0.55%	0.54%	0.52%
Management expense ratio (annualized) [3]	1.41%	1.34%	9.32%
Management expense ratio before waivers or absorptions (annualized) [3]	1.41%	1.34%	9.32%
Portfolio turnover rate [4]	0.00%	0.00%	2.85%
Trading expense ratio [5]	0.00%	0.00%	0.00%
Closing market price (TSX)	19.00	20.80	22.87

(1) Results for the period from May 18, 2012 (commencement of operations) to March 31, 2013.

(2) A separate base management expense ratio has been presented to include the normal operating expenses and exclude the issue expense ratio representing all agents' fees and unit issue expenses and also excludes the interest expense ratio representing cost of leverage as part of the prepaid forward agreement.

(3) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Unit issue expenses, representing all agents' fees and other offering expenses, which are one-time expenses, are not annualized.

(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 asset value during the period.

Class F Units:

The Fund's Net Assets per Class F Unit:	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**(1)
Net Assets, beginning of period(6)	**22.31**	**24.24**	**25.00**
Unit issue expense (2)	–	–	(1.23)
Increase (decrease) from operations:			
Total revenues	–	–	–
Total expenses	(0.19)	(0.31)	(0.29)
Realized gains (losses) for the period	0.41	0.09	0.02
Unrealized gains (losses) for the period	(0.96)	(0.51)	1.27
Total increase (decrease) from operations (3)	**(0.74)**	**(0.73)**	**1.00**
Distributions:			
From income	–	–	–
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	(1.21)	(1.25)	(1.08)
Total Distributions (4)	**(1.21)**	**(1.25)**	**(1.08)**
Net Assets, end of period (5) (6)	**20.19**	**22.31**	**24.24**

(1) Results for the period from May 18, 2012 (commencement of operations) to March 31, 2013.

(2) Issue expenses of $210,151 were incurred in connection with the Class F Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.

(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 units outstanding of 130,296 units as of March 31, 2015 (March 31, 2014 – 154,094).

(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 April 01, 2013. Starting April 1, 2013 and onwards, this information is restated under IFRS.

Ratios and Supplemental Data (Class F Units):	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**(1)
Net assets (000's)	2,369	3,254	4,015
Number of units outstanding	117,353	145,873	165,625
Base Management expense ratio (annualized) (2) (3)	0.88%	0.81%	0.86%
Issue expenses ratio (2) (3)	0.00%	0.00%	5.13%
Interest expense ratio (annualized) (2) (3)	0.56%	0.55%	0.54%
Management expense ratio (annualized) (3)	1.44%	1.36%	6.53%
Management expense ratio before waivers or absorptions (annualized) (3)	1.44%	1.36%	6.53%
Portfolio turnover rate (4)	0.00%	0.00%	2.85%
Trading expense ratio (5)	0.00%	0.00%	0.00%

(1) Results for the period from May 18, 2012 (commencement of operations) to March 31, 2013.

(2) A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio representing all agents' fees and unit issue expenses and Interest expense ratio representing cost of leverage.

(3) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Unit issue expenses, representing all Agents' fees and other offering expenses, which are one-time expenses, are not annualized.

(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 asset value during the period.

SUMMARY OF INVESTMENT PORTFOLIO AS OF MARCH 31, 2015

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available at www.astonhill.ca and www.sedar.com.

Portfolio by Category	**% of NAV**
Derivative contracts	101.5%
Cash	0.2%
Net Other Assets (Liabilities)	(1.7%)
Total	**100.0%**
Top 25 Holdings	
Derivative Contracts	101.5%
Cash	0.2%
Total Net Assets	**$ 56,933,691**

(1) There are less than 25 holdings in the Fund.

The Fund obtained exposure to the performance of the Portfolio through the Forward Agreement (see Investment Objectives and Strategy). The following is the summary of the Portfolio as of March 31, 2015:

Portfolio by Category	% of NAV
Financials	89.8%
Energy	25.3%
Telecommunication Services	12.0%
Utilities	10.5%
Industrials	5.4%
Leverage	(44.6%)
Cash	1.4%
Net Other Assets (Liabilities)	0.2%
Total	**100.0%**

Top 25 Holdings	
Fortis Inc, 4.100%, Series M	5.6%
TransCanada Corp., 4.000%, Series 7	5.3%
Bank of Montreal, Series 27	4.7%
Royal Bank of Canada, 4.000%, Series AZ	4.7%
Toronto-Dominion Bank, 3.900%, Series 1	4.6%
Toronto-Dominion Bank, 3.800%, Series 3	4.6%
BCE Inc., 4.150%, Series AK	4.2%
Sun Life Financial Inc., 4.750%, Series 1	3.7%
Canadian Imperial Bank, 3.900%, Series 39	3.7%
Enbridge Inc. 4.000%, Series F	3.6%
Enbridge Inc. 4.000%, Series B	3.5%
Enbridge Inc., 4.000%, Series N	3.4%
Bank of Montreal, Series 13	3.3%
Bank of Nova Scotia, 4.500%, Series 15	3.3%
Manulife Financial Corp., 4.100%, Series 1	3.3%
Bank of Nova Scotia, 4.500%, Series 14	3.3%
National Bank of Canada, 4.100%, Series 30	3.3%
Royal Bank of Canada, 5.000%, Series AJ	3.2%
Enbridge Inc., 4.000%, Series D	3.2%
Manulife Financial Corp., 3.900%Series 17	3.2%
Manulife Financial Corp., 4.650%, Series 2	3.2%
Sun Life Financial Inc., 4.800%, Series 2	3.0%
Canadian Utilities Ltd., 4.000%, Series Y	3.0%
Royal Bank of Canada, 4.450%, Series AA	2.8%
Power Financial Corp., 4.800%, Series S	2.8%
Total Net asset value (NAV):	**$ 57,801,488**

Management's Responsibility for Financial Reporting

The accompanying financial statements of **Canadian 50 Advantaged Preferred Share Fund** (the "Fund") and all of the information therein have been prepared by Aston Hill Capital Markets Inc. in its capacity as Manager of the Fund and have been approved by the Board of Directors of the Manager. The Fund's Manager is responsible for all of the information and representations contained in these financial statements and other sections of the annual report. Management maintains appropriate process to ensure that relevant and reliable financial information is produced.

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements are not precise since they include certain amounts based on estimates and judgements. The Manager has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements.

The financial statements have been audited by PricewaterhouseCoopers LLP on behalf of the Unitholders. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the Unitholders their opinion on the financial statements. Their report is contained within.

Darren N. Cabral
President
Aston Hill Capital Markets Inc.

Kal Zakarneh
Chief Financial Officer
Aston Hill Capital Markets Inc.

Toronto, Canada
June 29, 2015

June 29, 2015

Independent Auditor's Report

To the Unitholders of
Canadian 50 Advantaged Preferred Share Fund
(the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at March 31, 2015 and March 31, 2014 and April 1, 2013 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended March 31, 2015 and March 31, 2014, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements of the Fund in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of the Fund based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

Opinion

In our opinion, the financial statements of the Fund present fairly, in all material aspects, the financial position of the Fund as at March 31, 2015, March 31, 2014 and April 1, 2013 and the financial performance and cash flows of the Fund for the years ended March 31, 2015 and March 31, 2014 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

STATEMENTS OF FINANCIAL POSITION

As at		**March 31, 2015**		March 31, 2014		April 01, 2013
Assets						
Current assets						
Cash	**$**	**86,373**	$	44,432	$	-
Derivative assets - (note 11)		**57,730,669**		87,452,699		113,396,914
Prepaid expenses		**11,012**		12,685		14,139
Total assets		**57,828,054**		87,509,816		113,411,053
Liabilities						
Current liabilities						
Cash overdraft		**-**		-		89,740
Distributions payable		**788,932**		1,246,368		1,484,410
Accounts payable and accrued liabilities		**90,618**		102,068		112,850
Management fees payable		**14,813**		23,082		41,971
Total liabilities		**894,363**		1,371,518		1,728,971
Net assets attributable to holders of redeemable units	**$**	**56,933,691**	$	86,138,298	$	111,682,082
Net Assets attributable to holders of redeemable units per series						
Class A Units		**54,564,210**		82,884,454		107,666,922
Class F Units		**2,369,481**		3,253,844		4,015,160
	$	**56,933,691**	$	86,138,298	$	111,682,082
Redeemable units outstanding per series (note 5)						
Class A Units		**2,804,632**		3,842,503		4,584,488
Class F Units		**117,353**		145,873		165,625
Net assets attributable to holders of redeemable units per unit						
Class A Units	**$**	**19.46**	$	21.57	$	23.49
Class F Units	**$**	**20.19**	$	22.31	$	24.24

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

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

Darren N. Cabral
President

Kal Zakarneh
Chief Financial Officer

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31		2015		2014
Income				
Interest for distribution purposes	**$**	**-**	$	82
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:				
Net realized appreciation (depreciation) on derivative contracts (note 11)		**1,405,689**		(134,818)
Unrealized appreciation (depreciation) on derivative contracts (note 11)		**(2,513,422)**		(2,267,024)
Counterparty fees (note 11)		**(157,768)**		(200,920)
Total income (loss)		**(1,265,501)**		(2,602,680)
Expenses				
Management fees (note 9)		**311,917**		398,504
Harmonized sales tax		**51,970**		54,922
Audit fees		**29,541**		29,113
Custodial and other unitholder fees		**26,822**		25,113
Administration fees		**26,257**		25,011
Printing and mailing fees		**13,315**		5,008
Filing fees		**13,097**		6,095
TSX fees		**12,863**		19,314
Other fees		**12,490**		17,860
Transfer agent fees		**10,246**		9,080
Legal fees		**5,001**		5,001
IRC fees		**1,218**		3,201
Total expenses		**514,737**		598,222
Increase (decrease) in net assets attributable to holders of redeemable units	**$**	**(1,780,238)**	$	(3,200,902)
Increase (decrease) in Net Assets attributable to holders of redeemable units per series				
Class A Units	**$**	**(1,683,328)**	$	(3,088,196)
Class F Units	**$**	**(96,910)**	$	(112,706)
Increase (decrease) in Net Assets attributable to holders of redeemable units per unit (*)				
Class A Units	**$**	**(0.48)**	$	(0.71)
Class F Units	**$**	**(0.74)**	$	(0.73)

(1) Based on the weighted average number of 3,495,308 units for Class A & 139,609 units for Class F outstanding for the period (March 31, 2014: 4,338,649 Class A and 154,094 Class F)

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

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

Class A **For the years ended March 31**	**2015**	2014
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ **(1,683,328)**	$ (3,088,196)
Distributions to unitholders from: (note 8)		
Return of capital	**(4,042,392)**	(5,271,063)
Redeemable unitholder's transactions (note 5)		
Class F units converted to Class A	**429,032**	449,825
Redemption of redeemable units	**(23,023,556)**	(16,873,034)
	(22,594,524)	(16,423,209)
Change in Net Assets attributable to holders of redeemable units during the year	**(28,320,244)**	(24,782,468)
Net Assets attributable to holders of redeemable units, beginning of year	**82,884,454**	107,666,922
Net Assets attributable to holders of redeemable units, end of year	$ **54,564,210**	$ 82,884,454

Class F **For the years ended March 31**	**2015**	2014
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ **(96,910)**	$ (112,706)
Distributions to unitholders from: (note 8)		
Return of capital	**(152,261)**	(189,560)
Redeemable unitholder's transactions (note 5)		
Class F units converted to Class A	**(429,032)**	(449,825)
Redemption of redeemable units	**(206,160)**	(9,225)
	(635,192)	(459,050)
Change in Net Assets attributable to holders of redeemable units during the year	**(884,363)**	(761,316)
Net Assets attributable to holders of redeemable units, beginning of year	**3,253,844**	4,015,160
Net Assets attributable to holders of redeemable units, end of year	$ **2,369,481**	$ 3,253,844

Fund Total **For the years ended March 31**		
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ **(1,780,238)**	$ (3,200,902)
Distributions to unitholders from: (note 8)		
Return of capital	**(4,194,653)**	(5,460,623)
Redeemable unitholder's transactions (note 5)		
Redemption of redeemable units	**(23,229,716)**	(16,882,259)
	(23,229,716)	(16,882,259)
Change in Net Assets attributable to holders of redeemable units during the year	**(29,204,607)**	(25,543,784)
Net Assets attributable to holders of redeemable units, beginning of year	**86,138,298**	111,682,082
Net Assets attributable to holders of redeemable units, end of year	$ **56,933,691**	$ 86,138,298

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

STATEMENTS OF CASH FLOWS

For the years ended March 31		2015		2014
Cash flows from operating activities				
Increase (decrease) in Net Assets attributable to holders of redeemable units	**$**	**(1,780,238)**	$	(3,200,902)
Adjustments to reconcile to operating cash flows:				
Net realized (appreciation) depreciation on derivative contracts		**(1,405,689)**		134,818
Change in unrealized (appreciation) depreciation on derivative contracts (note 11)		**2,513,422**		2,267,024
(Increase) decrease in prepaid expenses		**1,673**		1,454
Increase (decrease) in accounts payable and accrued liabilities		**(11,450)**		(10,782)
Increase (decrease) in management fees payable		**(8,269)**		(18,889)
Pre-settlements received by the Fund from the Counterparty under the forward agreement		**28,614,297**		23,542,373
Net cash flow provided by (used in) operating activities	**$**	**27,923,746**	$	22,715,096
Cash flows provided by (used in) financing activities				
Payments on redemption/cancellation of units (notes 5)		**(23,229,716)**		(16,882,259)
Distributions paid to holders of redeemable units		**(4,652,089)**		(5,698,665)
Net cash flow provided by (used in) financing activities	**$**	**(27,881,805)**	$	(22,580,924)
Increase (decrease) in cash during the year		**41,941**		134,172
Cash (overdraft) - beginning of year		**44,432**		(89,740)
Cash (overdraft) - end of year	**$**	**86,373**	$	44,432

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

SCHEDULE OF INVESTMENT PORTFOLIO

As at March 31, 2015

Portfolio notionally held through the forward agreement	Number of shares / par value $	Average cost $	Fair value $	% of Net Assets
Preferred Shares				
Energy				
TransCanada Corp. 4.00% Series 7	128,800	3,228,745	3,059,000	5.3%
Enbridge Inc. 4.00% Series F	107,297	2,720,382	2,071,905	3.6%
Enbridge Inc. 4.00% Series B	107,296	2,713,483	2,035,405	3.6%
Enbridge Inc. 4.00% Series N	96,600	2,475,561	1,938,762	3.4%
Enbridge Inc. 4.00% Series D	96,557	2,438,458	1,843,273	3.2%
Pembina Pipeline Corp. 5.00% Series 5	53,700	1,387,660	1,324,242	2.3%
Transcanada Corp. 2.81%, Series 2	67,100	1,509,931	1,311,134	2.3%
TransCanada Corp. 4.40% Cum Pfd Series 5	75,077	1,910,688	1,217,749	2.2%
TransCanada Corp. 4.00% Cum Pfd Series 3	75,100	1,822,420	1,128,753	2.0%
		20,207,328	15,930,223	27.9%
Consumer Discretionary				
Thomson Reuters 2.12% Series B	32,219	688,497	483,285	0.8%
Consumer Staples				
George Weston Ltd. 5.80% Cum Pfd Series I	50,477	1,296,220	1,292,716	2.3%
Financials				
Bank of Montreal Class B Series 27 *	107,300	2,738,296	2,703,018	4.7%
Royal Bank Of Canada 4.10% Series AZ	107,300	2,776,218	2,691,084	4.7%
Toronto-Dominion Bank 3.90% Series 1	107,300	2,705,231	2,671,770	4.7%
Toronto-Dominion Bank 3.800%, Series 3	107,300	2,669,624	2,647,091	4.5%
Sun Life Financial Inc. 4.75% Series 1	85,817	2,097,657	2,119,680	3.7%
Canadian Imperial Bank 3.90% Series 39	85,800	2,198,333	2,113,254	3.7%
Bank of Montreal Class B Series 13 *	75,078	1,967,647	1,912,311	3.5%
Bank of Nova Scotia 4.50% Series 15	74,003	1,945,999	1,901,877	3.3%
Manulife Financial Corp. 4.10% Series 1	75,078	1,927,391	1,897,221	3.3%
Bank of Nova Scotia 4.50% Series 14	74,004	1,930,126	1,893,022	3.3%
National Bank of Canada 4.10% Series 30	75,100	1,934,561	1,886,512	3.3%
Royal Bank of Canada 5.00% Series AJ	72,818	1,882,755	1,850,305	3.2%
Manulife Financial Corp 3.90% Series 17	75,100	1,916,068	1,839,950	3.2%
Manulife Financial Corp. 4.65% Series 2	75,077	1,806,765	1,839,387	3.2%
Sun Life Financial Inc. 4.80% Series 2	69,709	1,715,990	1,742,028	3.1%
Royal Bank of Canada 4.45% Series AA	64,337	1,655,730	1,644,454	2.9%
Power Financial Corp. 4.80% Series S	64,400	1,490,876	1,635,760	2.9%
Royal Bank of Canada 4.70% Series AB	64,337	1,669,500	1,635,447	2.9%
Royal Bank of Canada 4.90% Series W	64,337	1,640,901	1,627,083	2.9%
Great-West Lifeco Inc. 5.20% Series G	64,400	1,539,825	1,626,100	2.9%
Great-West Lifeco Inc. 4.85% Series H	64,400	1,572,016	1,618,372	2.8%

SCHEDULE OF INVESTMENT PORTFOLIO (continued…)

As at March 31, 2015

	Number of shares / par value $	Average cost $	Fair value $	% of Net Assets
Financials (continued)				
Brookfield Office Properties Inc. 5.15% Series P	64,400	1,592,685	1,458,660	2.6%
Brookfield Asset Management Inc. 4.50% Series 32	56,100	1,455,169	1,403,622	2.5%
Bank of Nova Scotia 5.00% Series 20	43,176	1,097,888	1,099,693	1.9%
Power Financial Corp. 5.25% Series E	42,957	1,092,320	1,094,544	1.9%
Power Corp. of Canada 5.35% Series B	42,958	1,084,948	1,084,690	1.9%
HSBC Bank Canada 5.00% Series D	37,589	977,360	947,243	1.7%
Brookfield Office Properties Inc. 5.75% Series H	37,600	992,690	944,888	1.7%
Bank of Montreal Class B Series 16 *	33,637	831,647	848,376	1.6%
Brookfield Asset Management Inc. 2.10% Series 2	52,323	938,026	824,087	1.5%
Bank of Nova Scotia 2.69% Series 21	32,000	806,114	774,080	1.4%
		52,650,356	51,975,607	91.4%
Telecommunication Services				
BCE Inc. 4.15% Series AK	134,147	3,364,734	2,430,744	4.2%
BCE Inc. 3.00% Series AD	80,097	1,816,180	1,474,586	2.6%
BCE Inc. 4.50% Series AG	58,156	1,375,798	1,065,999	1.9%
BCE Inc. 4.15% Series AI	57,695	1,351,518	1,032,740	1.8%
BCE Inc., 2.94%, Series AE	49,900	936,301	918,160	1.7%
		8,844,532	6,922,229	12.2%
Utilities				
Fortis Inc. 4.01% Series M	128,800	3,258,163	3,220,000	5.7%
Canadian Utilities Ltd. 4.00% Series Y	69,707	1,808,431	1,730,128	3.0%
Fortis Inc. 4.90% Series E	42,905	1,148,141	1,103,088	1.9%
		6,214,736	6,053,215	10.6%
Total notional investments held in the Portfolio under the Forward Agreement		$ 89,901,668	$ 82,657,276	145.2%
Leverage (note 14)			(25,788,000)	-45.3%
Other Portfolio assets net of other liabilities			932,212	1.6%
Net Assets of the Portfolio			57,801,488	101.5%
Forward Agreement			57,730,669	101.4%
Other liabilities net of other assets of the Fund			(796,978)	-1.4%
Net Assets attributable to holders of redeemable units of the Fund			**$ 56,933,691**	**100.0%**

** Reflected by the conterparty through a swap agreement with underlying cash collateral of $6,363,693. The fair value of the investments is equivalent to the fair value of the BMO preferred shares less the cash.*

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

NOTES TO THE FINANCIAL STATEMENTS (March 31, 2015)

1 GENERAL INFORMATION

Canadian 50 Advantaged Preferred Share Fund (the "Fund") is a closed-end investment Fund established under the laws of the Province of Ontario and governed by the Trust Agreement (the "Trust Agreement") between Aston Hill Capital Markets Inc. (the "Manager") the Manager of the Fund and RBC Investor Services Trust (the "Trustee") dated April 24, 2012. The Fund's principal office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The Fund commenced operations on May 18, 2012. The fiscal year-end of the Fund is March 31. The Fund is divided into units of two classes, Class A Units and Class F Units. The Class A Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol CPF.UN. The Class F Units are not listed on a stock exchange but may be converted into Class A Units on a weekly basis.

The Fund's investment objectives are to provide:

(i) tax-advantaged quarterly cash distributions consisting primarily of returns of capital, and

(ii) low-cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index.

In order to achieve the Fund's investment objectives, the Fund obtained exposure to the Portfolio (the "Portfolio") through the forward agreement entered into with the Bank of Montreal (the "Counterparty"). The Portfolio is managed by BMO Asset Management Inc. (the "Portfolio Manager"), it provides a total return approximating that of the BMO Capital Markets 50 Preferred Share Index (the "Preferred Share 50 Index") and is predominantly invested in Canadian preferred share issues with a P-1 or P-2 rating from Standard & Poor's ("S&P"). The scheduled forward termination date will be on or about May 18, 2017.

The Preferred Share 50 Index is a market value weighted index created in 1992 to provide a benchmark representing the Canadian preferred share market and includes 50 Canadian preferred share issues that are listed on the TSX which satisfy specific inclusion criteria including minimum issue size of $100,000,000, minimum credit rating of P-3 by S&P and maximum weighting of any issuer. The Preferred Share 50 Index is rebalanced annually. In addition, the Preferred Share 50 Index Committee continually reviews and may adjust the Preferred Share 50 Index constituents at its discretion to ensure that the Preferred Share 50 Index reflects the composition for the Canadian preferred share market.

In March 2015, the quarterly distribution rate for the Fund was reduced from $0.3125 per Unit to $0.27 per Unit. As the Fund provides low cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index, the change in the distribution rate was consistent with the income opportunities produced by the Index and by employing leverage as well as the Forward Agreement to generate tax-efficient income.

These financial statements were authorized for issue by Aston Hill Capital Market Inc. (the Manager) on June 29, 2015.

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 April 1, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 18 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 March 31, 2014 prepared under Canadian GAAP.

The policies applied in these annual financial statements are based on IFRS issued and outstanding as of June 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 Forward Agreement is designated as "held for trading" in accordance with Chartered Professional Accountant (the "CPA" Canada) 3855, Financial Instruments – Recognition and Measurement ("Section 3855"). As a result of such designation and categorization, the Fund's investments and derivatives are measured at fair value through profit or loss ("FVTPL"). Leverage, interest payable, distributions payable, accounts payable, accrued liabilities and management fees payable are designated as other financial liabilities and reported at amortized cost which given its short term nature approximates its fair value. The Fund's obligation for Net Assets attributable to holders of redeemable units is presented at approximately the redemption amount. All other financial assets and liabilities are measured for at amortized cost. 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 as of the date of the event or change in circumstances given rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market 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 17 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. Dividend income is recognized on the ex-dividend date.

e) 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.

f) Valuation of a class and class allocations

A separate net asset 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 attributable expenses, income, realized and unrealized gains and losses are allocated proportionately to each class based upon the relative Net Assets of each class.

g) 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.

h) Initial fees and expenses

The issue expenses and Agents' fees incurred in connection with the initial units issuance and treasury offering are deducted from the net asset value for accounting purposes.

i) 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 has 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 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 a financial liability. The Fund's units do not meet the criteria in IAS 32 for classification as equity as they are all multi-series, and they are not identical and, therefore, the units have been reclassified as financial liabilities on transition to IFRS.

Functional and Presentation Currency

The Fund's investors are primarily Canadian residents, with the subscriptions and redemptions of the redeemable shares denominated in Canadian dollars. 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

The Fund is authorized to issue an unlimited number of redeemable, transferable units of Class A and Class F Units, each of which represents an equal, undivided interest in the Net Assets of the Fund, subject to the terms and conditions of the Trust Agreement.

On May 18, 2012, the Fund completed an initial public offering pursuant to the Prospectus dated April 24, 2012. $60,000,000 was raised through the issue of 2,400,000 Class A Units and $5,043,700 was raised through the issue of 201,748 Class F Units.

On June 8, 2012, the Agents exercised an over-allotment option in respect of 94,623 Class A Units, raising a further $2,365,575. Agents' fees and other issue expenses totalled $4,002,676.

On December 5, 2012, the Fund closed a treasury offering on the Class A Units and Class F Units pursuant to a Prospectus for a treasury offering dated November 28, 2012. $45,010,500 was raised through the issue of 1,850,000 Class A Units and $2,592,839 was raised through the issue of 105,787 Class F Units. The treasury offering was non-dilutive to the net asset value per unit of the existing Unitholders.

On December 20, 2012, the Agents exercised an over-allotment option for the treasury offering in respect of the Class A Units. An additional $2,301,180 was raised through the issue of 94,582 Class A Units. Agents' fees and other issue expenses for the treasury offering totalled $2,286,157.

During the year ended March 31, 2015, there were 19,800 Class F Units converted into 19,876 Class A Units for a total value of $429,032. There were also redemptions of 1,057,747 Class A Units total payment of $23,023,556 and 8,720 Class F Units for $206,160 during the same period (during the year ended March 31, 2014, there were 19,349 Class F Units converted into 19,977 Class A Units for a total value of $449,825. There were also redemptions of 746,762 Class A Units for total payment of $16,549,754 and 403 Class F Units for $ 9,225 during the same period).

Commencing in 2013, the Class A Units and Class F Units may be redeemed on an annual redemption date, which is the second last business day in November, subject to certain conditions and in order to effect such a redemption, the Units must be surrendered during the period from October 15 until 5:00 p.m. (Toronto time) on the last Business Day in October in the year of redemption, subject to the Fund's right to suspend redemptions in certain circumstances. Unitholders whose Units are redeemed on an Annual Redemption Date will receive a redemption price in an amount equal to 100% of the Net Asset Value per Unit of the relevant class on an annual redemption date less any costs associated with the redemption, including brokerage costs and less any net realized capital gains or income to the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption.

In addition to the annual redemption right, the Class A Units and Class F Units may also be redeemed on a monthly redemption date, which is the second last business day of each month, commencing in 2013, other than November, subject to certain conditions and in order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the last business day of the month preceding the monthly redemption date. Payment of the redemption price will be made on or before the redemption payment date, subject to the Manager's right to suspend redemptions in certain circumstances. Concurrently with the payment of the proceeds of redemption, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains or income of the Fund incurred by it to Fund the payment of the redemption price. Unitholders surrendering a Class A Unit for redemption will receive a redemption price equal to the lesser of (i) 95% of the Market Price, which is the weighted average trading price on the TSX for the 10 trading days immediately preceding the monthly redemption date of a Class A Unit, and (ii) 100% of the Closing Market Price, which is the closing price on the TSX on the monthly redemption date or, if there was no trade on the relevant monthly redemption date, the average of the last bid and the last asking prices of the security on the TSX on the monthly redemption date of a Class A Unit on the applicable monthly redemption date less, in each case, any costs associated with the redemption, including brokerage costs, being the Monthly Redemption Amount. Unitholders surrendering a Class F Unit for redemption will receive an amount equal to the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated Net Asset Value per Class F Unit and the denominator of which is the most recently calculated Net Asset Value per Class A Unit.

Changes in outstanding units during the years ended March 31, 2015 and 2014 are summarized as follows:

	Class A Units March 31, 2015	**Class A Units March 31 2014**	**Class F Units March 31 2015**	**Class F Units March 31 2014**
Balance – beginning of year	3,842,503	4,584,488	145,873	165,625
Class F Units converted to Class A Units	19,876	19,977	(19,800)	(19,349)
Units repurchased	–	(15,200)	–	–
Units redeemed	(1,057,747)	(746,762)	(8,720)	(403)
Balance – end of year	2,804,632	3,842,503	117,353	145,873

6 CUSTODIAN

Pursuant to the Trust Agreement RBC Investor Services Trust (the "Custodian") acts as custodian of the assets of the Fund. The Custodian is also responsible for certain aspects of the Fund's day-to-day operations, including calculating Transactional NAV, net income and net realized capital gains of the Fund and maintaining the books and records 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 March 31, 2015 and 2014.

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 intends to make quarterly tax-advantaged distributions to Unitholders. The Fund does not have a fixed quarterly distribution amount but it sets distribution targets based on the Manager's, in consultation with the Portfolio Manager, estimate of expected returns on the Portfolio for the period.

The quarterly distribution rate for the Fund was reduced from $0.3125 per Unit to $0.27 per Unit as of March 2015. As the Fund provides low cost exposure to the total return approximating that of the BMO Capital Markets 50 Preferred Share Index, the change in the distribution rate was consistent with the income opportunities produced by the Index and by employing leverage as well as the Forward Agreement to generate tax-efficient income.

During the year ended March 31, 2015, the Fund paid distributions of $1.21 per Class A Unit and Class F Unit respectively (the Fund paid distributions of $1.25 per Class A Unit and Class F Unit respectively during the year ended March 31, 2014.). The current distribution amount represents an annualized current yield of 4.32% based on the initial offering price of $25.00 per Unit.

9 RELATED PARTY TRANSACTIONS

Management fees

The Manager receives a management fee approximately equal to 0.50% per annum of the applicable Net Asset Value, by virtue of the following: (i) the Manager receives a management fee from the Fund equal to 0.40% per annum of the Net Asset Value, calculated and accrued daily and payable monthly in arrears, plus applicable taxes; and (ii) the Counterparty Portfolio is reduced by 0.10% per annum, representing the fee paid by the Counterparty to the Manager to maintain the Portfolio. The Manager is responsible for paying the fees of the Portfolio Manager out of this amount of net assets value.

The management fees charged to the Fund during the year ended March 31, 2015 were $311,917 ($398,504 for the year ended March 31, 2014).

IRC Fee

The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

The IRC members each receive $15,000 per annum ($20,000 for the Chairman) plus $1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment Funds that are managed by the Manager in a manner that is fair and reasonable.

Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. During the year ended March 31, 2015, administration fees amounted to $ 26,257 ($25,011 during the year ended March 31, 2014).

10 BROKER COMMISSION CHARGES AND SOFT DOLLAR SERVICES

There were $nil of broker commissions paid During the year ended March 31, 2015 and 2014 in connection with portfolio transactions. No contractual arrangements for soft dollar services exist in the broker commission charges.

11 DERIVATIVE CONTRACTS

Forward agreement

The Fund does not invest directly in the Portfolio, the Fund used the net proceeds of the initial public offering of its Class A and Class F Units and bank borrowing to pre-pay its purchase obligations under a forward purchase and sale agreement (the “Forward Agreement”) with the Bank of Montreal (the “Counterparty” or “BMO”) (whose credit rating is A+ by S&P as of March 31, 2015). Under the Forward Agreement, the Fund will, on or about the Forward Termination Date (the earlier of: (i) the scheduled forward termination date, on or about May 18, 2017; (ii) any other date upon which the Forward Agreement is terminated in accordance with its terms) acquire the Canadian Securities Portfolio from the Counterparty having an aggregate value equal to the value of the Portfolio, net of any amount owing by the Fund to the Counterparty. A fee of up to 0.20% per annum, calculated with reference to the NAV of the Portfolio, is payable quarterly to BMO under the Forward Agreement. The Counterparty fees charged to the Fund during the year ended March 31, 2015 were $157,768 (during the year ended March 31, 2014 were $200,920).

On March 31, 2015, the prepaid amount to the Counterparty under the Forward Agreement which included leverage (note 14) was $57,234,866 and the value of the unrealized gain on the Forward Agreement was $566,622. Other liabilities net of other assets in the Fund totalled $867,797, leaving net assets of $ 56,933,691 (On March 31, 2014, the prepaid amount to the Counterparty under the Forward Agreement was $84,491,745 and the value of the unrealized gain on the Forward Agreement was $3,080,044. Other liabilities net of other assets in the Fund totalled $1,433,491, leaving net assets of $86,138,298).

On March 21, 2013, the Minister of Finance announced proposals in a federal budget that would treat the gain realized by a mutual Fund under such forward agreements as ordinary income rather than a capital gain, if the forward agreement was entered into or extended on or after March 21, 2013. On July 11, 2013, the Department of Finance announced proposed technical changes to the transitional rules related to character conversion transactions announced in the federal budget. One of the announced changes includes the extension of the transition period for short-term agreements. The extended grandfathered period allows investment Funds, whose forward agreements were entered into prior to March 21, 2013 and the terms of which provide for settlement or are a part of series of agreements that provide for settlement prior to 2015, to extend their forward agreements until end of 2014. For longer-dated forward agreements, the grandfathering transitional period will not extend beyond March 21, 2018. Grandfathering is subject to certain growth rules with which the Fund intend to comply. The federal budget, part of Bill C-4, was enacted into law on December 12, 2013. This does not have an impact on the maturity date of the fund.

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 MARKET PURCHASE PROGRAM

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Class A Unit not exceeding the most recently calculated NAV per Class A Unit immediately prior to the date of any such purchase of Units.

During the year ended March 31, 2015, no units were purchased for cancelation (The Fund purchased 15,200 Class A Units for a total value of $323,280 for cancellation during the year ended March 31, 2014).

14 LEVERAGE

The Fund's exposure to the securities in the Portfolio, through the Forward Agreement, may be increased to 33% of the value of the Portfolio after giving effect to leverage.

The Manager entered into a letter of agreement (the "Credit Agreement") with the Bank of Montreal (the "Counterparty" or "BMO"), to borrow amounts up to 33% of the value of the Portfolio through the Forward Agreement (see note 11). Rate of interest is based on CAD 3 month CDOR and that there is a fee on the leverage used. Under the provisions of the Credit Agreement, the Counterparty will also charge the Fund a fee of up to 0.25% on any unfunded leverage amount which is included in interest expense on the statement of comprehensive incomes (the difference between the maximum allowable leverage amount and the actual funded leverage amount).

During the year ended March 31, 2015, the leverage used to increase the Fund's exposure to the Portfolio by $25,788,000 to $37,418,000 or as a percentage ranged from 25.46% to 32.40% of the value of the Portfolio. The related interest expense during the same period was $429,018. As at March 31, 2015, the borrowed balance was $25,788,000 and the leverage factor was 30.85% (During the year ended March 31, 2014, bank indebtedness was used to increase the Fund's exposure to the Portfolio by $37,418,000 to $43,318,000 or 27.61% to 30.71% of the value of the Portfolio. The related interest expense during the same period was $542,558. As at March 31, 2014, the borrowed balance was $ 37,418,000 and the leverage factor was 29.94%).

15 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 will be distributed to unitholders on a calendar year basis such that Canadian income taxes payable by the Fund under present legislation will be minimized. 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.

As at tax year end December 31, 2014, the Fund had net taxable capital losses of $648,793, which may be carried forward indefinitely to reduce future realized capital gains (the Fund had capital losses $ 648,793 as at December 31, 2013). The Fund also had non-capital losses of $5,064,038 (non-capital losses of $3,848,446 as at December 31, 2013), which will expire within the next twenty years as shown in the following table:

Year of the realized non-capital tax loss	Amount of tax loss	Expiry date
2012	$ 1,861,180	2032
2013	1,987,266	2033
2014	1,215,593	2034
Total	**$ 5,064,038**	

16 FINANCIAL INSTRUMENT RISK

The Fund obtained exposure to the performance of the Portfolio through the Forward Agreement (see note 11) 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.

The Portfolio is exposed to a variety of financial instruments risks: credit risk, liquidity risk, portfolio concentration risk and market risk (including interest rate risk, currency risk and price risk). The level of risk to which the Portfolio is exposed depends on the investment objectives and the type of investments the Portfolio holds. The value of investments within a portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company-specific news related to investments held by the Portfolio. The Portfolio Manager of the Portfolio may attempt to minimize the potential adverse effects of these risks on the Portfolio's performance by, but not limited to, regular monitoring of the Portfolio's positions and market events and diversification of the investment portfolio by asset type, country, sector, and term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

Other price risk

Interest rate risk is the risk that the fair value of the Fund's interest-bearing investments will fluctuate due to changes in prevailing interest rates. Because many preferred shares pay dividends at a fixed rate, their market price can be sensitive to changes in interest rates in a manner similar to bonds – that is, as interest rates rise, the value of the preferred shares included in the Portfolio are likely to decline.

As at March 31, 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 $6,433,051 and $9,336,394 (March 31, 2014 - $9,112,000 and $13,029,000, April 01, 2013 - $11,717,000 and $17,067,000). The sensitivity does not take into account the effect of interest rate fluctuation on the leverage. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Credit risk

There is a chance that the issuers of any of the preferred shares included in the Portfolio held by Forward Agreement will have its ability to pay dividends deteriorate or will default (fail to make scheduled dividend payments on the preferred shares or scheduled interest payments on other obligations of the issuer not included in the Portfolio), which would negatively affect the value of any such security. The Fund is exposed to the credit risk associated with the Counterparty. The possibility exists that the Counterparty will default on its obligations under the Forward Agreement. The Counterparty is rated A+ by S&P as of March 31, 2015, March 31, 2014 and April 01, 2013.

The table below summarizes the Fund's exposure to credit risk through its investments in the Portfolio as of year ended March 31, 2015, March 31, 2014 and April 01, 2013. Amounts shown are based on the carrying value of the preferred shares held by the Portfolio.

Rating	March 31, 2015 (% of NAV)	March 31, 2014 (% of NAV)	April 01, 2013 (% of NAV)
P-1 (high)	10.5%	–	–
P-1 (low)	7.5%	29.6%	30.7%
P-2 (high)	25.6%	35.7%	21.4%
P-2	70.8%	51.8%	67.8%
P-2 (low)	14.9%	15.5%	15.5
P-3 (high)	11.6%	5.2%	3.9%
P-3	4.3%	4.4%	–
Total	**145.2%**	**142.2%**	**139.3%**

To secure the obligations of the Counterparty under the Forward Agreement, the Counterparty pledges collateral in favour of the Fund with an aggregate value equal to 100% of the mark-to-market value of the exposure under the Forward Agreement. The amount of the collateral is reset on a weekly basis to 100%.

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. The Fund is also exposed to unlimited annual anniversary redemptions on the second last business day of November of every year commencing in 2013 (see note 5); therefore, the Fund, which has exposure to the Portfolio through the Forward Agreement, invests the majority of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund retains sufficient cash and cash equivalent positions and has sufficient short-term borrowing capacity to meet its daily cash requirements. Liquidity can be met through pre-settlement of the prepaid forward. The prepaid forward agreement can be terminated with the counterparty prior to the termination date of May 18, 2017 with two days' notice and with settlement to occur there days later. All liabilities, excluding bank indebtedness are due within three months.

Market price risk

Market price 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 Portfolio 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.

If equity prices had increased or decreased by 10% on March 31, 2014, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately $8,266,000 (March 2014 – $12,251,000, April 01, 2013 – $15,557,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Concentration risk

The Portfolio held through Forward Agreement is concentrated in preferred shares of Canadian issuers listed on the TSX and may be concentrated in preferred shares in specialized industries or market sectors. As a result, the NAV may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Units. The Fund is exposed to similar concentration risk during the year ended March 31, 2015, March 31, 2014 and April 01, 2013.

Portfolio by Category	March 31, 2015	March 31, 2014	April 01, 2013
	% of NAV	% of NAV	% of NAV
Financials	89.8%	83.6%	85.9%
Energy	25.3%	34.2%	28.3%
Telecommunication Services	12.0%	14.4%	15.3%
Utilities	10.5%	4.7%	4.5%
Industrials	5.4%	–	–
Consumer Staples	–	2.1%	2.0%
Consumer Discretionary	–	0.9%	1.2%
Leverages	(44.6%)	(42.7%)	(38.8%)
Cash	1.4%	1.9%	0.3%
Net Other Assets (Liabilities)	0.2%	0.9%	1.3%
Total	**100.0%**	**100.0%**	**100.0%**

17 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 is exposed to the investments notionally held by Portfolio via a prepaid forward agreement. This is classified as a Level 2 investment given it is not actively traded but the inputs in the valuation are observable. The Fund obtained exposure to the performance of the Portfolio through the Forward Agreement (see note 11) and therefore, the following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at year ended March 31, 2015, March 31, 2014 and April 01, 2013;

Assets at fair value as at March 31, 2015	Level 1	Level 2	Level 3	Total
Preferred Shares	82,657,276	–	–	82,657,276
Total	**$ 82,657,276**	**–**	**–**	**$ 82,657,276**

Assets at fair value as at March 31, 2014	Level 1	Level 2	Level 3	Total
Preferred Shares	122,510,873	–	–	122,510,873
Total	**$ 122,510,873**	**–**	**–**	**$ 122,510,873**

Assets at fair value as at April 01, 2013	Level 1	Level 2	Level 3	Total
Preferred Shares	155,569,008	–	–	155,569,008
Total	**$ 155,569,008**	–	–	**$ 155,569,008**

Financial instruments 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.

Preferred Shares: The Portfolio’s long preferred share positions are classified as Level 1 as the securities held are actively traded and reliable quotes are observable.

Prepaid forward: The prepaid forward is classified as Level 2 as it is valued using observable inputs but it is not actively traded.

There were no transfers among the three levels during the year ended March 31, 2015, March 31, 2014 and April 01, 2013.

18 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 Forward Agreement held through the Fund has a fixed termination date of May 18, 2017. 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.

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. As a result, upon adoption of IFRS there were no adjustment was recognized to the carrying amount of the Fund’s investments at March 31, 2014 and April 01, 2013 and therefore the Fund’s Net Assets attributable to holders of redeemable units had no change as of March 31, 2014 and April 01, 2013.

19 FINANCIAL INTRUMENTS BY CATEGORY

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended March 31, 2015 and 2014.

	Net gains (losses)	
Net gains (losses) on financial instruments at FVTPL	**March 31, 2015**	March 31, 2014
Financial Assets and Liabilities at FVTPL:		
Held for Trading	**(836,483)**	(2,060,122)
Designated at inception	**–**	–
Total financial assets and liabilities at FVTPL	**$ (836,483)**	$ (2,060,122)

Corporate Information

Independent Review Committee

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 Markets Inc.

Portfolio Manager

BMO Asset Management

Transfer Agent and Trustee

Computershare Trust Company of Canada

Custodian

RBC Investor Services Trust

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