AstonHill
CAPITAL MARKETS

Canadian Banc Capital Securities Trust

Annual Management Report of Fund Performance

December 31, 2015

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for **Canadian Banc Capital Securities Trust** (the "Fund") contains financial highlights but does not contain the complete Annual financial statements of the Fund.

You can obtain a copy of the annual financial statements at no cost by writing to Aston Hill Capital Markets Inc. (formerly Connor, Clark & Lunn Capital Markets Inc.) (the "Manager") to the following address: 77 King Street West, Suite 2110, 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 STRATEGIES

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 & Treasury Services (the "Trustee") dated May 22, 2009. The Fund's principal office is located at 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8. The fiscal year-end of the Fund is December 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 CSB.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 service fee component of the Manager's fee and the TSX listing fees are not paid by the Class F Units.

Initially, the Fund's investment objectives were to:

i. provide Unitholders with attractive tax-advantaged quarterly cash distributions; and

ii. return to Unitholders the original issue price of the Units upon termination of the Fund.

Distributions were targeted at $1.50 per annum per Unit consisting primarily of returns of capital, representing a return on the issue price of 6.0% per annum.

In order to achieve the Fund's investment objectives, Connor, Clark & Lunn Investment Management Ltd. (the "Investment Manager"), actively manages the Fund's portfolio. The portfolio initially consisted of Innovative Tier 1 Capital Securities of the six largest Canadian banks and large Canadian life insurance companies. The portfolio also included a minimum of 80% Canadian Bank Capital Securities. The Investment Manager was also able to invest up to 20% of the portfolio (measured at the time of investment) in Bank Shares and Life Insurance Company Securities. The Fund was also able to invest in other securities issued by Canadian financial institutions, including subordinated debt, preferred shares and common shares.

Initially, the Fund did not invest directly in the portfolio of portfolio Trust (the "Portfolio Trust" or "Trust"). 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"). Under the Forward Agreement, the Fund was receiving at termination, a specified portfolio consisting of securities of Canadian public issuers that are "Canadian securities" for the purposes of the Tax Act ("Canadian Securities") in an amount equal to the value of portfolio Trust (the "Portfolio Trust" or the "Trust"). Partial settlements under the Forward Agreement were intended to ensure that Unitholders have economic exposure to the distributions effected by Portfolio Trust. A fee of 0.35% per annum, calculated with reference to the NAV of Portfolio Trust, was payable to BMO under the Forward Agreement.

On June 9, 2014, the Fund's Unitholders approved material changes to the Fund. The most significant changes were; (i) the extension of the Fund's termination date by five more years to June 28, 2019; (ii) broaden the geographic scope and the type of securities that qualify for inclusion in the portfolio to be securities that are designed to comply with the new Basel III regulatory requirements; and (iii) to enable the Fund to hold the portfolio of investments directly following the termination of the Forward Agreement which was extended from June to December 2014.

In September 2014, the targeted annual distribution rate for the Fund was reduced from $1.50 per Unit to $1.25 per Unit.

During December 2014, the Forward Agreement was terminated per schedule and a special one-time capital tax distribution was made to all unitholders (see "Distribution").

RISK

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

Use of leverage

Prior to the termination of the Forward Agreement, the Fund was permitted to increase its exposure to the securities in the portfolio through the Forward Agreement by 25% of the levered notional amount or total assets (being the aggregate value of the assets of Portfolio Trust) (which was tested daily) (33.33% of the NAV of the Fund) for the purposes of adding leverage to the Fund and for any other short-term funding purposes as may be determined by the Investment Manager from time to time and in accordance with the Investment Strategy. The use of leverage has the potential to enhance or reduce returns.

The Fund entered into a letter of agreement (the "Credit Agreement") dated June 9, 2009, between the Manager and the Bank of Montreal (the "Counterparty" or "BMO"), to borrow amounts up to 25% of the NAV of Portfolio Trust as being part of the Forward Agreement. At any time the leverage ratio went above the maximum allowable ratio, the leverage amount was decreased within the limit. Under the provisions of the Credit Agreement, the Counterparty also charged the Fund a fee of 0.25% of any unfunded leverage amount (the difference between the maximum allowable leveraged amount and the actual funded leverage amount). The Credit Agreement was terminated following the termination of the Forward Agreement during December 2014.

Following the termination of the Forward Agreement, the Fund entered into a Leverage Agreement dated January 9, 2015 whereby the Manager on behalf of Fund has established a trading account with RBC Dominion Securities Inc. ("RBC DS") in order to effect purchases and sales of securities (including short sales) and which requires the Fund to deliver margin to secure its obligations under the Services Agreement and to provide Directions to RBC Investor & Treasury Services (the "Custodian") to make such transfers from the Custody Account to the trading account at RBC DS.

The Fund applied leverage in the range from nil to 38.8% during the year ended December 31, 2015 (nil to 22.2% during the year ended December 31, 2014). The leverage factor as of December 31, 2015 was 37.9% (nil as of December 31, 2014).

For full disclosure of risks associated with an investment in the Fund's units, please refer to the Prospectus dated May 27, 2009 and to the Fund's most recent Annual Information Form. Both are available at www.astonhill.ca or www.sedar.com.

RECENT DEVELOPMENT

The unitholders of each of the Euro Banc Capital Securities Trust, Australian Banc Capital Securities Trust, Canadian Banc Capital Securities Trust, HBanc Capital Securities Trust, and North American Financials Capital Securities Trust (collectively, the "Funds") approved the merger of the Funds and all related transactions (the "Merger") at separate special unitholder meetings held on December 17, 2015. The Merger resulted in North American Financials Capital Securities Trust being the continuing fund and all other above mentioned funds being the terminating funds (collectively the "Terminating Funds"). The Merger became effective on January 29, 2016, at which time the Terminating Funds were de-listed from the Toronto Stock Exchange ("TSX"). Upon completion of the Merger, North American Financials Capital Securities Trust has been renamed Global Capital Securities Trust, and $97,242,293 in Net Assets was merged into the continuing fund. The merger did not result in any changes to the continuing fund's objectives or its holdings.

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 Investment 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.

INVESTMENT MANAGER COMMENTARY (FEBRUARY 2016)

Results from Operations

Global growth remained subdued throughout the year, albeit with some regional variances. Inflation continued to fall, with the collapse in oil prices a major driver in the disinflationary environment that has persisted over the last six years. Central banks responded aggressively by easing monetary policy, especially during the first part of the year when the European Central Bank (ECB) initiated its much-anticipated quantitative easing program and several other central banks (including the Bank of Canada) cut short-term administered interest rates. The US Federal Reserve (Fed) was the exception as it increased US interest rates in December for the first time in a decade.

In the US, overall rates rose across the curve, however, the increase was more pronounced in the shorter end of the curve as investors anticipated additional interest rate hikes. While Fed policy dominated the headlines throughout the year, the key factor driving the Canadian fixed income market was the disappointing domestic growth environment. Canada posted a technical recession in the first half of the year and then displayed some encouraging signs during the summer and struggled over the remainder of the year as desperately weak oil prices prevailed. The benefits of a weak Canadian dollar, which finished the year at US$0.72, (a level not seen since 2003), were generally disappointing as the anticipated pickup in export activity failed to gain traction. Conversely, the overall direction of Canadian interest rates was quite different than in the US as rates declined across the curve led by shorter-term maturities. The Government of Canada 10-year yield fell to a low of 1.12% in February but then reversed to finish the year at 1.55% while declining 32 bps for the year. The 2-year bond yield started the year near 1% and then decreased by 53 bps to close the year at 0.47%. This resulted in a significant steepening of the yield curve. In the credit component, the corporate tightening that had started in the first quarter, came to a halt and then reversed course to finish the year somewhat wider, particularly in lower rated credits.

The portfolio remained focused on high quality North American financials. On the domestic front, exposure to preferred shares was decreased somewhat during the year as part of a de-risking strategy to protect against the increased probability of lower interest rates and the potential impact on an interest rate reset. In the US, the portfolio remained focused on well-established banks that continued to enjoy strong earnings. For example, Bank of America and Citigroup posted their largest annual earnings in nearly a decade with US $15.89 billion and US $17.2 billion respectively. While Morgan Stanley's results were somewhat more modest, it still posted net income of over $6 billion, which was an increase of over 70% from the prior year. Outside North America, other financial institutions such as HSBC Holdings showed resilience in the face of challenging markets and were able to maintain steady Tier 1 capital ratios. Banco Bilbao Vizcaya, well known for its conservative risk management and comparatively low credit profile, showed its resilience by producing solid operating profitability as a result of its superior asset quality and diversification.

The portfolio posted a negative return for the year that was driven by the impact the higher US rates and from the overall spread widening that persisted over most of the year.

Outlook

The global economy has been growing at its slowest pace since the Great Recession and could slow further. The positive impacts stemming from ultra-accommodative global monetary policies and cheaper energy costs for consumers are being at least partially offset by tighter lending conditions. Sprinkle in some elevated uncertainty about China and other emerging markets, and the outlook for the future pace of global growth remains foggy at best.

Slow economic growth will likely result in continued global overcapacity, which should help to sustain the low inflation undertow necessary to keep monetary conditions accommodative and short-term interest rates low – and potentially even lower – in the near-term. We expect the BoC to remain vigilant in maintaining its low interest rate policy and we may even see further rate cuts if economic fundamentals deteriorate. The recent Fed rate hike may prove to be a little premature and, as such, its impact on the economy and potential future rate increases remains unknown.

Despite the elevated volatility, fixed income markets should continue to benefit in the near-team from investor concerns, which may result in even slightly lower interest rates. The Fund will continue to focus on quality investments which will help navigate the high level of uncertainty that is expected to prevail over the near term.

Capital transactions

On June 9, 2009, the Fund completed an initial public offering pursuant to the Prospectus dated May 27, 2009. $90,000,000 was raised through the issue of 3,600,000 Class A Units and $6,289,000 was raised through the issue of 251,560 Class F Units. The Class A Units were issued at $25.00 per Unit and incurred Agents' fees and issue expenses of $5,553,139 or $1.53 per Unit, for an opening Transactional NAV of $23.47 per Unit. The Class F Units were issued at $25.00 per Unit and incurred Agents' fees and issue expenses of $199,486 or $0.76 per Unit, for an opening Transactional NAV of $24.24 per Unit.

On July 6, 2009, the Agents exercised an over-allotment option in respect of 108,000 Class A Units, raising a further $2,700,000. Agents' fees were $141,750 or $1.31 per Unit.

On October 27, 2009, the Fund raised an additional $663,999 through the issue of 25,149 Class F Units at $26.40 per Unit from a private placement, increasing the number of Class F Units issued to 276,709 Units.

During the year ended December 31, 2015, 13,300 Class F Units were converted to 14,647 Class A Units for a total value of $350,962; 600 Class F Units for the value of $15,654 and 680,041 Units of Class A for the value of $16,089,090 were redeemed during the same period (During the year ended December 31, 2014, 18,680 Class F Units were converted to 20,281 Class A Units for a total value of $548,365; 12,955 Class F Units for the value of $359,121 and 347,228 Units of Class A for the value of 9,297,040 were redeemed 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.

The Fund did not purchase any Class A Units for cancellation during the years ended December 31, 2015 and 2014.

DISTRIBUTIONS

The Fund pays quarterly distributions initially at $0.375 per Unit, representing a return of 6.0% per annum on the Unit issue price. The Fund paid an initial distribution of $0.4615 for Unitholders with record date September 30, 2009 and regular quarterly distributions of $0.375 per calendar quarter thereafter.

In September 2014, the targeted annual distribution rate for the Fund was reduced from $1.50 per Unit to $1.25 per Unit. The new rate is consistent with the yields available within the Fund's investable universe.

In addition, during December 2014, the Fund made a special capital gains distribution to Unitholders of record on December 31, 2014. The special capital gains distribution comprised of $4.2881 per Class A Unit ($4.7831 per Class F Unit) which was paid in additional Units (to be consolidated back to the original number of Units of the Fund, resulting in Unitholders incurring a non-cash capital gain equal to the non-cash portion of the distribution amount with a matching increase in their adjusted cost base per Unit) and $1.4294 per Class A Unit ($1.5944 per Class F Unit) in cash to offset the estimated tax liability to Unitholders resulting from the non-cash distribution. The capital gains distribution was largely the result of the termination of the Fund's Forward Agreement. The need to terminate the Forward Agreement was due to the government's change to the tax laws in March 2013.

The Fund has made all its scheduled distributions during the year ended December 31, 2015, paying $1.25 per Class A Unit and $1.25 per Class F Unit respectively ($2.8044 per Class A Unit and $2.9694 per Class F Unit during the year ended December 31, 2014).

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 December 31, 2015 and 2014.

RELATED PARTY TRANSACTIONS

Management Fees

The Manager received a management fee from the Fund and Portfolio Trust equal in the aggregate to 0.50% per annum of the applicable Net Asset Value (0.25% from the Fund and 0.25% from Portfolio Trust), calculated and payable monthly in arrears, plus applicable taxes. Following the termination of the Forward Agreement, The Manager receives the full 0.50% management fee rate from the Fund.

The management fees charged to the Fund during the year ended December 31, 2015 were $168,575 plus applicable taxes (the management fees charged to the Fund and Portfolio Trust on a combined basis were $120,256 plus applicable taxes during the year ended December 31, 2014).

The Manager is responsible for payment of the investment management fees out of these management fees.

Service Fees

The Fund pays to the Manager a service fee (calculated quarterly and paid as soon as practicable after the end of each calendar quarter); solely with respect to the Class A Units, equal to 0.40% per annum of the Net Asset Value attributable to the Class A Units. The service fee is applied by the Manager to pay a service fee in an equivalent aggregate amount to brokers based on the number of Class A Units held by clients of such brokers at the end of the relevant quarter. No service fee is payable in respect of the Class F Units.

The service fees charged to the Fund during the year ended December 31, 2015 were $105,466 ($204,842 during the year ended December 31, 2014).

Administration Fees

The Manager allocates back to the Fund a portion of the administration costs 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 reporting and unitholder reporting cost management and oversight and any other operations matter.

For the year ended December 31, 2015, administration fees amounted to $19,132 ($52,987 during the year ended December 31, 2014).

IRC Fees

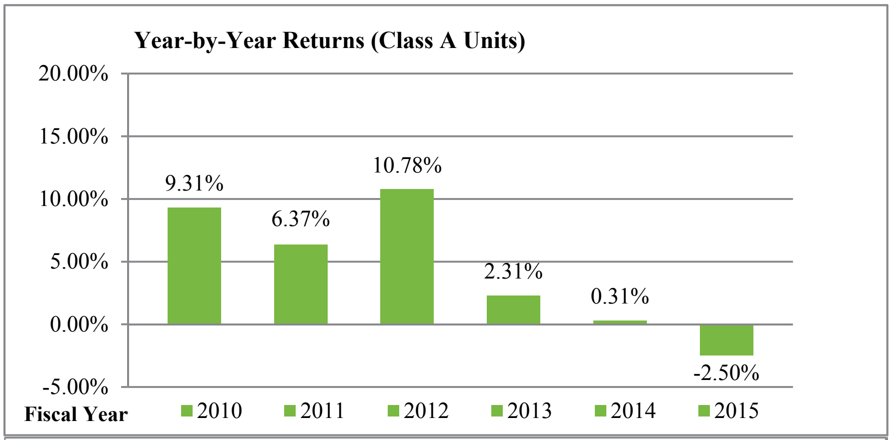
The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

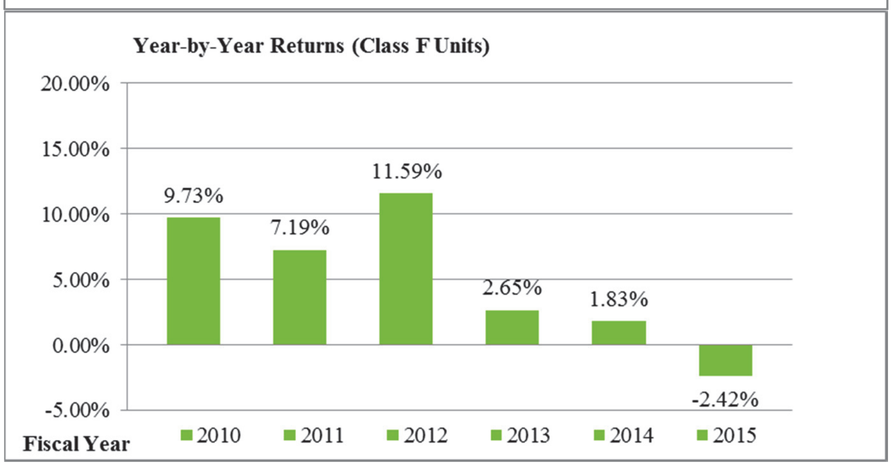
The IRC members each receive $15,000 per annum ($20,000 for the Chairman) plus $1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment funds that are managed by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

The IRC fees charged to the Fund during the year ended December 31, 2015 were $731($1,902 during the year ended December 31, 2014).

PAST PERFORMANCE

The following bar charts show the Fund's annual performance of the Class A Units and Class F Units as well as the Annual performance for the year ended December 31, 2015 assuming all the distributions made by the Fund during the periods shown were reinvested. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. The bar charts show, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Past performance is not necessarily indicative of future performance.





Annual Compound Returns

	Past Year	Past 3 Years	Past 5 Years	Since Inception [(1)]
Based on NAV (Class A Units)	(2.50%)	0.02%	3.35%	5.85%
Based on share price (Class A Units)	(1.69%)	0.85%	3.63%	4.91%
Based on NAV (Class F Units)	(2.42%)	0.86%	4.18%	6.61%
FTSE TMX Canada Universe Bond Index	3.52%	3.63%	4.80%	5.30%

(1) Annualized for the period from June 9, 2009 (commencement of operations) to December 31, 2015.

The FTSE TMX Canada Universe Bond Index is the broadest and most widely used measure of performance of virtually all of the outstanding marketable bonds 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 financial statements:

Class A Units:

For the years ended	2015	2014(5)	2013(5)	2012	2011
Net Assets, beginning of year	**24.39**	**27.11**	**27.97**	**26.56**	**26.38**
Unit issue expense (1)	–	–	–	–	–
Increase (decrease) from operations:					
Total revenues	1.71	0.06	–	–	–
Total expenses	(0.53)	(0.75)	(0.23)	(0.56)	(0.53)
Realized gains (losses) for the year	(2.89)	14.13	2.78	2.61	0.63
Unrealized gains (losses) for the year	1.21	(13.28)	(1.91)	0.86	1.58
Total increase (decrease) from operations (2)	**(0.50)**	**0.16**	**0.64**	**2.91**	**1.68**
Distributions:					
From income (excluding dividends)	(1.20)	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	(7.04)	–	–	–
Return of capital	(0.05)	(0.05)	(1.50)	(1.50)	(1.50)
Total Distributions (3)	**(1.25)**	**(7.09)**	**(1.50)**	**(1.50)**	**(1.50)**
Net Assets, end of year (4)(5)	**22.55**	**24.39**	**27.11**	**27.97**	**26.56**

(1) Issue expenses of $5,726,569 incurred in connection with the Class A Units. This amount represents the cost of issuing the Fund's extension circular including any solicitation fees paid to brokers who held the units (see Related Party Transactions). 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.

(2) 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 1,315,662 units outstanding as of December 31, 2015 (December 31, 2014 – 1,821,857 units).

(3) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on the Fund's tax return.

(4) This is not a reconciliation between the opening and the closing net assets per unit.

(5) The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the period up to December 31, 2012 is presented under Canadian GAAP.

Ratios and Supplemental Data (Class A Units):

As at	2015	2014	2013	2012	2011
Net asset value (000's)	22,299	40,346	53,705	71,760	89,136
Number of units outstanding	988,692	1,654,086	1,981,033	2,565,656	3,345,247
Base management expense ratio (1) (2)	1.87%	1.70%	1.28%	1.28%	1.21%
Issue & solicitation expense ratio (1) (2)	–	1.53%	0.00%	0.00%	0.00%
Interest expense ratio (1) (2)	0.33%	0.53%	0.58%	0.77%	0.76%
Management expense ratio (annualized) (2)	2.20%	3.76%	1.86%	2.05%	1.97%
Management expense ratio before waivers or absorptions (annualized) (2)	2.20%	3.76%	1.86%	2.05%	1.97%
Portfolio turnover rate (3)	41.70%	2.95%	0.00%	0.00%	0.00%
Trading expense ratio (4)	0.04%	0.00%	0.00%	0.00%	0.00%
Closing market price (TSX)	22.39	24.06	26.30	27.25	26.05

(1) 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.

(2) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.

(3) 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.

(4) 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:

For the years ended	2015	2014[5]	2013[5]	2012	2011
Net Assets, beginning of year	**26.77**	**29.04**	**29.75**	**27.96**	**27.50**
Unit issue expense [1]	–	–	–	–	–
Increase (decrease) from operations:					
Total revenues	1.92	0.06	–	–	–
Total expenses	(0.49)	(0.57)	(0.25)	(0.48)	(0.45)
Realized gains (losses) for the year	(3.25)	15.26	2.98	2.75	0.66
Unrealized gains (losses) for the year	1.43	(14.23)	(1.89)	0.96	1.83
Total increase (decrease) from operations [2]	**(0.39)**	**0.52**	**0.84**	**3.23**	**2.04**
Distributions:					
From income (excluding dividends)	(1.20)	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	(7.70)	–	–	–
Return of capital	(0.05)	(0.05)	(1.50)	(1.50)	(1.50)
Total Distributions [3]	**(1.25)**	**(7.75)**	**(1.50)**	**(1.50)**	**(1.50)**
Net Assets, end of year [4] [5]	**24.89**	**26.77**	**29.04**	**29.75**	**27.96**

(1) Issue expenses of $201,795 incurred in connection with the Class F Units. This amount represents the cost of issuing the Fund's extension circular including any solicitation fees paid to brokers who held the units (see Related Party Transactions). 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.

(2) 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 33,739 units outstanding as of December 31, 2015 (December 31, 2014 – 49,013 units).

(3) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on the Fund's tax return.

(4) This is not a reconciliation between the opening and the closing net assets per unit.

(5) The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the period up to December 31, 2012 is presented under Canadian GAAP.

Ratios and Supplemental Data (Class F Units):

As at	2015	2014	2013	2012	2011
Net asset value (000's)	643	1,063	2,072	2,718	5,358
Number of units outstanding	25,823	39,723	71,358	91,344	190,964
Base management expense ratio [1] [2]	1.51%	1.06%	0.85%	0.89%	0.84%
Issue & Solicitation expense ratio [1] [2]	–	1.29%	0.00%	0.00%	0.00%
Interest expense ratio [1] [2]	0.34%	0.52%	0.59%	0.77%	0.76%
Management expense ratio (annualized) [2]	1.85%	2.87%	1.44%	1.66%	1.60%
Management expense ratio before waivers or absorptions (annualized) [2]	1.85%	2.87%	1.44%	1.66%	1.60%
Portfolio turnover rate [3]	41.70%	2.95%	0.00%	0.00%	0.00%
Trading expense ratio [4]	0.04%	0.00%	0.00%	0.00%	0.00%

(1) 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.

(2) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.

(3) 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.

(4) 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 DECEMBER 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 at www.sedar.com.

Portfolio by Category	**% of NAV**
Foreign Corporate Bonds	123.2%
Canadian Preferreds – Financials	15.8%
Foreign Currency Forward Contracts	(1.0%)
Leverage	(37.9%)
Net Other Assets (Liabilities)	(0.1%)
Total	**100.0%**

Top 25 Holdings[1]	**% Rate**	**Maturity Date** [2]	**% of NAV**
HSBC Holdings PLC	5.625%	Jan/17/2020	14.4%
ING Groep NV	6.000%	Apr/16/2020	13.9%
Nordea Bank AB	5.500%	Sep/23/2019	13.9%
Australia & New Zealand Banking Group Ltd.	4.500%	Mar/19/2024	13.8%
Bank of America Corp.	8.125%	May/15/2018	13.7%
Goldman Sachs Group Inc.	5.700%	May/10/2019	13.4%
Morgan Stanley	5.450%	Jul/15/2019	13.3%
Banco Bilbao Vizcaya Argentaria SA	6.750%	Feb/18/2020	12.9%
Manulife Financial Corp., Series 17, Preferred			8.2%
Toronto-Dominion Bank/The, Series 3, Preferred			7.6%
Citigroup Inc.	6.300%	May/15/2024	7.3%
Citigroup Inc.	6.125%	Nov/15/2020	6.6%
Foreign Currency Forward Contracts			(1.0%)
Total Net asset value (NAV):			**$ 22,941,431**

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

(2) Then maturity date is the first call date.