Global Capital Securities Trust (Formerly North American Financials Capital Securities Trust)

Semi-Annual Management Report of Fund Performance

June 30, 2016

MANAGEMENT REPORT OF FUND PERFORMANCE

This semi-annual management report of Fund performance for **Global Capital Securities Trust** (Previously North American Financials Capital Securities Trust) (the "Fund") contains financial highlights but does not contain the complete semi-annual financial statements of the Fund.

You can obtain a copy of the semi-annual financial statements at no cost by writing to Aston Hill Capital Markets Inc. (the "Manager") to the following address: 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 (the "Trust Agreement") between the Manager of the Fund and RBC Investor & Treasury Services (the "Trustee") dated September 28, 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 and Class F Units. The Class A Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol NAF.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 and the TSX listing fees are not paid by Class F Units.

Initially, the Fund's investment objectives are 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 to be $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 March 2015, 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 order to achieve the Fund's investment objectives, Connor, Clark & Lunn Investment Management Ltd. (the "Investment Manager") actively manages the Portfolio. The Portfolio initially consisted of Canadian Innovative Tier 1 Capital Securities issued by banks (or entities related to banks) and U.S. Financials Capital Securities. The Investment Manager was also able to invest up to 15% of the Portfolio (measured at the time of investment) in other bonds with a minimum issuer rating of "A" by S&P.

The Fund was directly exposed to the portfolio of North American Portfolio Trust (the "NAPT"). 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 maturity, 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 net asset value of NAPT. Partial settlements under the Forward Agreement were intended to ensure that Unitholders have economic exposure to the distributions effected by NAPT. A fee of 0.35% per annum, calculated with reference to the NAV of NAPT, was payable to BMO under the Forward Agreement.

On November 10, 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 November 30, 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.

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

On December 17, 2015, the Fund's Manager announced that 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 this Fund (collectively, the "Funds") approved the merger of the Funds and all related transactions (the "Merger") at separate special unitholder meetings held on the same date. The Merger resulted in this Fund 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, the Fund was renamed from "North American Financials Capital Securities Trust" to "Global Capital Securities Trust". The resulting increase in assets was expected to result in certain efficiency and better trading on the TSX.

RISK

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

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 NAPT) (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 October 23, 2009, between the Manager and the Bank of Montreal (the "Counterparty" or "BMO"), to borrow amounts up to 25% of the net asset value of NAPT as being part of the Forward Agreement (33.33% of the NAV of the Fund). 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 5.71% to 45.54% during the six-month period ended June 30, 2016 (nil to 27.6% during the six-month period ended June 30, 2015). At June 30, 2016, the borrowed balance was $26,864,592 ($7,497,152 as at June 30, 2015). The leverage factor as of June 30, 2016 was 24.19% (27.6% as of June 30, 2015).

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.

RESULTS FROM OPERATIONS

Investment Manager Commentary (July, 2016)

The start of the year proved to be challenging for markets as global growth expectations continued to decline. Markets were worried about the possibility of a US recession and slower growth in China. This fueled a big sell-off in risky assets, a spike in the price of gold, and a drop in US real interest rates to below zero. Central banks responded to the weakening growth environment with additional stimulus. This caused interest rates and the US dollar to decline and helped spur a rally that saw riskier assets outperform until May. During this time, more evidence emerged that manufacturing was slowing to a pace teetering between expansion and contraction, while the US consumer sector remained healthy with strong retail and auto sales, as well as robust housing markets. However, deterioration in the jobs market in early June raised concerns surrounding the sustainability of consumer spending.

On the monetary policy front, growing apprehensions related to the efficacy of central bank measures to stimulate growth, compounded with changing expectations for the timing of the next interest rate move by the US Federal Reserve, led to a number of reversals in the direction of interest rates and the US dollar. Politics, such as the implications of a potential Trump presidency, also stoked uncertainty. However, the biggest shock during the period was the unexpected result of the UK plebiscite to leave the European Union (Brexit). The uncertainty associated with this unprecedented event caused heightened volatility and a flight to safety which bid up prices, particularly US Treasuries, German bunds, the US dollar, gold and silver.

Global interest rates were fairly volatile, seesawing back and forth with the changes in investor risk tolerance. Sovereign yields declined substantially in January in response to the risk-off environment but the downward moves were partially retraced in the following months as investor's risk appetite returned. Following the surprise results of the UK referendum, rates shifted once again to the downside. Within Europe, investors discriminated between countries that were deemed safer, such as Germany, and those in the periphery that are viewed as higher risk, such as Spain and Italy. The Bank of Canada left policy rates unchanged as it determined that financial conditions should remain accommodative after accounting for the large negative impact of the Alberta forest fires on the nation's economic output. The Canadian fixed income market lagged its US counterpart as the yield on the Government of Canada 10-year bond fell close to a third of a percent to 1.06% versus the yield on US Treasury bonds at the same maturity, which dropped by almost three quarters of a percent to 1.49%. The yield curve flattened as the Government of Canada 30-year bond yield declined by a similar magnitude to the 10-year rate while the yield on 2-year Canadian bonds remained essentially unchanged. The FTSE TMX Universe Bond Index provided a strong 4.05% return for the first half of the year. Credit spreads tightened starting in February through April but then reversed direction during the flight to safety. On the whole, they finished tighter for the period.

The portfolio remains focused on quality financial institutions with well-diversified geographical exposures located in United States, Canada and Australia. After a challenging quarter for US financial institutions, we are witnessing a performance rebound mostly due to declining costs, as firms face a difficult environment of high volatility and low interest rates. Some of the largest exposures in the portfolio are good examples of such rebounds. Goldman Sachs posted strong revenues of over $7.9 billion while Bank of America, the second largest bank in the U.S., recorded revenues of over $9.2 billion. Citigroup also posted profit of over $4 billion for the quarter. On the other hand, Morgan Stanley disappointed somewhat, yet still posted solid results with $859 million in earnings. Improved efficiencies continue to be a focus and we remain confident that they will be able to navigate this expected low growth environment.

In Canada, the domestic banking sector continues to benefit from multiple sources of revenues which provided some offset to the current challenging low interest rate environment. Royal Bank of Canada, one of the largest Canadian exposures in the portfolio posted a 5% increase in net income and strengthening capital ratios in its latest results. Finally in Australia, the recent stability in commodity prices should benefit Australia and New Zealand Banking Group Ltd. and lessen future negative impact from credit impairment charges.

The portfolio posted a negative return for the period and lagged the benchmark.

Outlook

Prior to the UK referendum vote, there was an expectation that global economic growth would remain sub-par for the remainder of the year. In the aftermath of the shocking Brexit outcome, the global economy is now expected to experience an even weaker growth profile, driven by lower European business confidence, the negative impact of a stronger US dollar on emerging markets and increased geopolitical risk.

The potential deflationary impact from this confluence of weak growth and too much debt will undoubtedly continue to be addressed by aggressive global monetary policies, including less conventional tools like negative interest rates and further quantitative easing measures. In this environment of elevated uncertainty, the portfolio will continue to have a more defensive bias and an even greater focus on highly liquid issues.

We expect interest rates to remain at the lower end of established ranges and that they might go even lower should fundamentals deteriorate further. The preference for high quality investments will remain intact to counterbalance the high level of uncertainty that is expected to increase over the near term.

Forward-Looking Statements

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances.

Capital transactions

On October 23, 2009, the Fund completed an initial public offering pursuant to the Prospectus dated September 28, 2009. $50,000,000 was raised through the issue of 2,000,000 Class A Units and $821,500 was raised through the issue of 32,860 Class F Units. The Class A Units were issued at $25.00 per Unit and incurred Agents' fees and issue expenses of $3,215,301 or $1.61 per Unit, for an opening Transactional NAV of $23.39 per Unit. The Class F Units were issued at $25.00 per Unit and incurred Agents' fees and issue expenses of $28,182 or $0.86 per Unit, for an opening Transactional NAV of $24.14 per Unit.

On November 6, 2009, the Agents exercised an over-allotment option in respect of 158,940 Class A Units, raising a further $3,973,500. Agents' fees were $208,609 or $1.31 per Unit. During the year ended December 31, 2010 the Fund incurred additional Agents' fees of $11,731 or $0.01 per Class A Unit and Class F Unit respectively.

On January 29, 2016, following the Merger mentioned in "INVESTMENT OBJECTIVES AND STRATEGIES", Unitholders of the Terminating Funds who did not wish to be part of the Merger had the option of redeeming for cash their investment at net asset value prior to the Merger (the "Special Redemption Right"). For each unit submitted for redemption pursuant to the Special Redemption Right, unitholders received a cash amount equal to 100% of the net asset value per unit on January 22, 2016 together with any unpaid distributions (including any special distribution) in respect of such unit, less any amount required to be withheld therefrom under applicable law. Such amount was paid to redeeming unitholders on or before January 27, 2016. The Fund issued 4,341,962 Class A Units with an aggregated value of $96,109,369 and 46,382 Class F Units with an aggregated value of $1,132,973.

During the six-month period ended June 30, 2016, there were 5,432 units of Class A redeemed for $103,625 and there were no Class F redeemed (There were no Class A Units redeemed and there were 1,040 Class F Units redeemed for $26,403 during the six-month period ended June 30, 2015). 6,885 Class F Units were converted into 7,606 Class A Units for the value of $165,858 during the six-month period ended June 30, 2016 (there was no conversion during the six-month period ended June 30, 2015).

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 six-month periods ended June 30, 2016 and 2015.

DISTRIBUTIONS

The Fund paid quarterly distributions initially at $0.375 per Unit, representing a return of 6.0% per annum on the Unit issue price.

In March 2015, 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.

Following the Merger, the Fund paid one-time special non-cash distribution of $0.151 per Class A Unit ($0.166 per Class F Unit).

The Fund has made all its scheduled distributions during the six-month period ended June 30, 2016, paying $0.625 per Class A Unit and $0.625 per Class F Unit respectively ($0.625 per Class A Unit and $0.625 per Class F Unit during the six-month period ended June 30, 2015).

RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee of the Fund tabled no special reports and made no extraordinary material recommendations to management of the Fund during the six-month period ended June 30, 2016.

RELATED PARTY TRANSACTIONS

Management Fees

The Manager receives a management fee from the Fund equal in the aggregate to 0.50% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund during the six-month period ended June 30, 2016 were $233,575 plus applicable taxes ($74,727 plus applicable taxes during the six-month period ended June 30, 2015).

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 six-month period ended June 30, 2016 were $203,392 ($57,430 during the six-month period ended June 30, 2015).

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 six-month period ended June 30, 2016, administration fees amounted to $18,279 (June 30, 2015 - $9,272).

IRC Fee

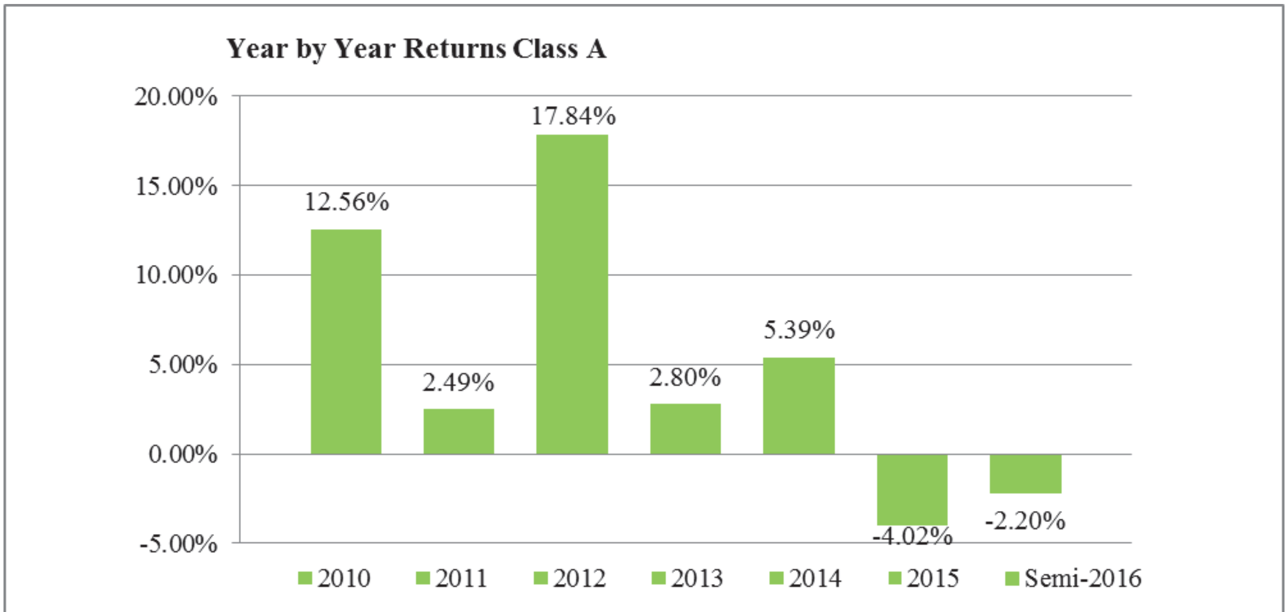
The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

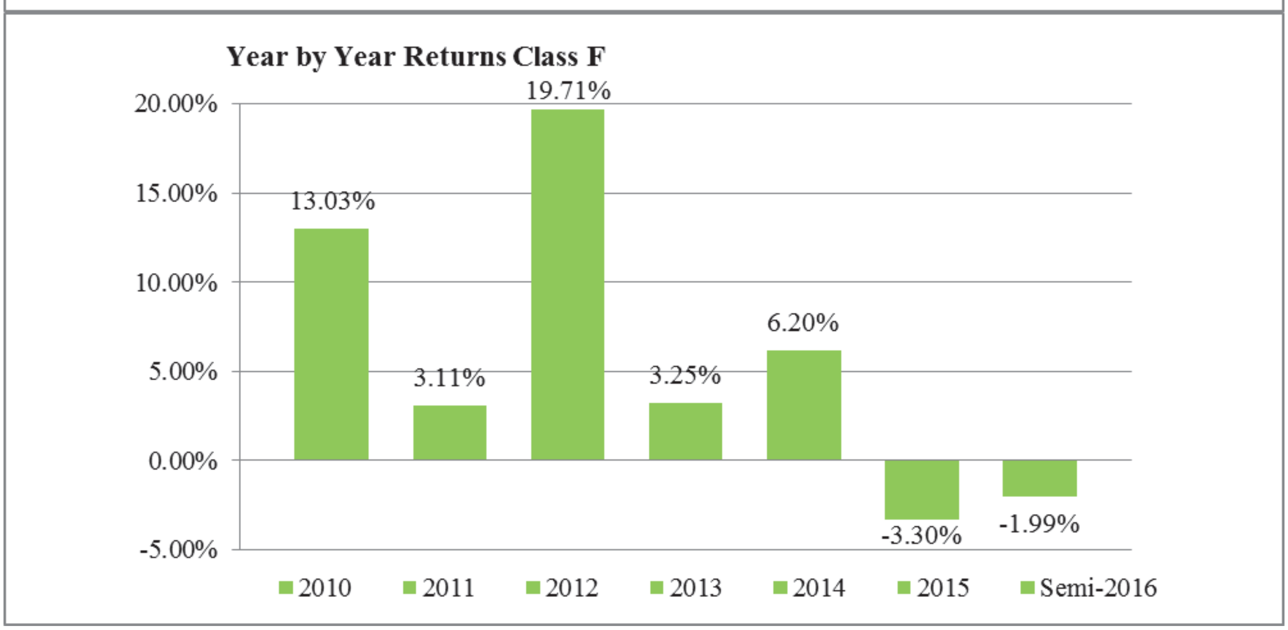
The IRC members each receive $15,000 per annum ($20,000 for the Chairman) plus $1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment funds that are managed by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

The IRC fees charged to the Fund during the six-month period ended June 30, 2016 were $344 ($448 during the six-month period ended June 30, 2015).

PAST PERFORMANCE

The following bar charts show the Fund's annual performance of the Class A Units and Class F Units as well as semi-annual performance for the six-month period ended June 30, 2016 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.





FINANCIAL HIGHLIGHTS

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

Class A Units:

The Fund's Net Assets per Class A Unit:	2016(1)	2015	2014(5)	2013(5)	2012
Net Assets, beginning of period	**23.11**	**25.36**	**26.22**	**26.98**	**24.14**
Increase (decrease) from operations:					
Total revenues	0.58	1.76	0.07	–	–
Total expenses	(0.19)	(0.63)	(0.72)	(0.25)	(0.54)
Realized gains (losses) for the period	0.63	(2.45)	14.18	0.90	0.61
Unrealized gains (losses) for the period	(0.64)	0.27	(11.85)	0.17	4.27
Total increase (decrease) from operations (2)	**0.38**	**(1.05)**	**1.68**	**0.82**	**4.34**
Distributions:					
From income (excluding dividends)	(0.63)	(1.25)	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	(2.67)	–	–
Return of capital	–	–	(2.20)	(1.50)	(1.50)
Total Distributions (3)	**(0.63)**	**(1.25)**	**(4.87)**	**(1.50)**	**(1.50)**
Net Assets, end of period (4) (5)	**21.97**	**23.11**	**25.36**	**26.22**	**26.98**

(1) Results for the six-month period ended June 30, 2016
(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 4,321,031 units outstanding as of June 30, 2016 (December 31, 2015 – 1,046,829 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):	2016(1)	2015	2014	2013	2012
Net asset value (000's)	109,648	14,938	27,521	46,208	50,963
Number of units outstanding	4,990,435	646,299	1,085,330	1,762,035	1,889,210
Base management expense ratio (2) (3)	1.26%	1.73%	1.68%	1.38%	1.42%
Solicitation expense ratio (2) (3)	0.00%	0.00%	1.41%	0.00%	0.00%
Interest expense ratio (2) (3)	0.30%	0.29%	0.54%	0.58%	0.64%
Management expense ratio (annualized) (3)	1.56%	2.02%	3.63%	1.96%	2.06%
Management expense ratio before waivers or absorptions (annualized) (3)	1.56%	2.02%	3.63%	1.96%	2.06%
Portfolio turnover rate (4)	53.15%	67.59%	17.78%	0.00%	0.00%
Trading expense ratio (5)	0.02%	0.04%	0.00%	0.00%	0.00%
Closing market price (TSX)	20.61	22.02	25.00	25.80	26.50

(1) Results for the six-month period ended June 30, 2016
(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) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.
(4) The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.
(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

Class F Units:

The Fund's Net Assets per Class F Unit:	**2016**[(1)]	**2015**	**2014**[(5)]	**2013**[(5)]	**2012**
Net Assets, beginning of period	**25.50**	**27.64**	**28.24**	**28.81**	**25.30**
Increase (decrease) from operations:					
Total revenues	0.75	1.96	0.08	–	–
Total expenses	(0.17)	(0.58)	(0.66)	(0.27)	(0.45)
Realized gains (losses) for the period	0.81	(2.72)	15.60	0.96	0.64
Unrealized gains (losses) for the period	(1.17)	0.32	(13.26)	0.26	4.53
Total increase (decrease) from operations [(2)]	0.22	(1.02)	**1.76**	**0.95**	**4.72**
Distributions:					
From income (excluding dividends)	(0.63)	(1.25)	–	–	–
From dividends		–	–	–	–
From capital gains		–	(2.81)	–	–
Return of capital		–	(2.34)	(1.50)	(1.50)
Total Distributions [(3)]	**(0.63)**	**(1.25)**	**(5.15)**	**(1.50)**	**(1.50)**
Net Assets, end of period [(4) (5)]	**24.36**	**25.50**	**27.64**	**28.24**	**28.81**

(1) Results for the six-months ended June 30, 2016

(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 53,520 units outstanding as of June 30, 2016 (December 31, 2015 – 21,739 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):	**2016**[(1)]	**2015**	**2014**	**2013**	**2012**
Net asset value (000's)	1,393	451	635	666	720
Number of units outstanding	57,187	17,690	22,980	23,580	24,980
Base management expense ratio [(2) (3)]	0.90%	1.31%	1.05%	0.92%	0.99%
Solicitation expense ratio [(2) (3)]	0.00%	0.00%	1.64%	0.00%	0.00%
Interest expense ratio [(2) (3)]	0.36%	0.29%	0.55%	0.58%	0.64%
Management expense ratio (annualized) [(3)]	1.26%	1.60%	3.24%	1.50%	1.63%
Management expense ratio before waivers or absorptions (annualized) [(3)]	1.26%	1.60%	3.24%	1.50%	1.63%
Portfolio turnover rate [(4)]	53.15%	67.59%	17.78%	0.00%	0.00%
Trading expense ratio [(5)]	0.02%	0.04%	0.00%	0.00%	0.00%

(1) Results for the six-months ended June 30, 2016

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

(4) The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

SUMMARY OF INVESTMENT PORTFOLIO AS OF JUNE 30, 2016

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	53.3%
Canadian Corporate Bonds	54.5%
Financials (Canadian Preferred)	13.4%
Short-term Notes	4.4%
Foreign Currency Forward Contracts	(1.0%)
Leverage	(24.2%)
Net Other Assets (Liabilities)	(0.4%)
Total	**100.0%**

Top 25 Holdings	**% Rate**	**Maturity Date** [1]	**% of NAV**
Morgan Stanley, FRN	5.450%	Jul/15/2019	9.6%
Goldman Sachs Group Inc., FRN	5.700%	May/10/2019	9.6%
Bank of America Corp.	8.125%	May/15/2018	9.5%
JPMorgan Chase & Co., FRN	5.300%	May/01/2020	9.3%
Toronto-Dominion Bank	2.982%	Sep/30/2025	9.0%
Royal Bank of Canada	4.650%	Jan/27/2026	6.3%
Bank of Nova Scotia	4.500%	Dec/16/2025	6.1%
Bank of Nova Scotia, FRN	3.367%	Dec/08/2025	5.5%
Bank of Montreal, FRN	3.120%	Sep/19/2024	5.4%
Canadian Imperial Bank of Commerce/Canada, FRN	3.000%	Oct/28/2024	5.4%
National Bank of Canada, Series 34, Preferred			4.9%
Canadian Imperial Bank of Commerce/Canada, FRN	3.420%	Jan/26/2026	4.6%
Bank of Montreal, FRN	3.340%	Dec/08/2025	4.6%
Royal Bank of Canada	3.310%	Jan/20/2026	4.6%
Short-term notes			4.4%
Citigroup Inc., FRN	6.300%	May/15/2024	4.2%
National Australia Bank Ltd./New York	8.000%	Sep/24/2016	3.6%
Citigroup Inc.	6.250%	Aug/15/2026	3.0%
Toronto-Dominion Bank	4.859%	Mar/04/2031	3.0%
Citigroup Inc., FRN	6.125%	Nov/15/2020	2.7%
Royal Bank of Canada, Series BM, Preferred			2.4%
Toronto-Dominion Bank, Series 3, Preferred			2.2%
National Australia Bank Ltd., Preferred			2.2%
Australia & New Zealand Banking Group Ltd.	4.500%	Mar/19/2024	1.8%
Manulife Financial Corp., Series 17, Preferred			1.7%
Total Net Asset Value:			**$ 111,040,964**

[1] The maturity date is the first call date.