HBanc Capital Securities Trust

Semi-Annual Report

February 28, 2015

HBanc Capital Securities Trust Message to Unitholders

April 29, 2015

Dear Investor,

We are pleased to provide you with the semi-annual report for HBanc Capital Securities Trust (the "Fund") for the six-month period ended February 28, 2015.

The Fund was established to provide investors with a high level of stable, tax-advantaged distributions through exposure to securities issued by HSBC Holdings plc ("HSBC"), a conservatively positioned and strongly capitalized global bank. Specifically, the Fund initially had exposure to two securities issued by HSBC: (i) 8.125% Perpetual Subordinated Capital Securities, Series 1 ("8.125% HSBC Series 1"); and (ii) the 8.00% Perpetual Subordinated Capital Securities, Series 2 ("8.0% HSBC Series 2").

The Fund's investment objectives are to (i) provide Unitholders with monthly, tax-advantaged distributions consisting primarily of returns of capital, initially representing a yield on the Unit issue price of 7.0% per annum, and (ii) provide exposure to the Capital Securities.

The Class A/ Series 1 units had a total return of 1.76% for the six-month period ended February 28, 2015. Since inception, the compound annual growth rate is 6.44% from the Fund's opening net asset value, including $7.67 of distributions. The value of the underlying securities has remained strong as the market's perception of the credit risk of HSBC in particular and the financial system in general has gone down. As noted in the past, the security held by the Fund trades at a premium to the amount it can be called at. It is expected that these premiums will amortize as the call date approaches. The smaller of the two opening series, the 8.125% HSBC Series 1 was sold out on April 24, 2014 and it continues to trade at a significant premium despite reaching its first call date.

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

Please check our website for quarterly investment updates and other timely information. Please check our website for quarterly investment updates and other timely information.

Yours truly,

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

MANAGEMENT REPORT OF FUND PERFORMANCE

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

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

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund is a non-redeemable investment fund established under the laws of the Province of Ontario and governed by the Fund's Trust Agreement (the "Trust Agreement") dated September 28, 2010 between the Manager and RBC Investor Services Trust. (the "Trustee").

The Fund is offered in two classes of Units, each of which was offered in two series: Class A Units, Series 1 and 2 at a price of $25.00 per Class A Unit and Class U Units, Series 1 and 2 at a price of U.S. $25.00 per Class U Unit. The only difference between the two series of each class of Units is the fees paid with respect to such series. The Class U Units are designed for investors wishing to make their investment in U.S. dollars.

The Fund's investment objectives are to (i) provide Unitholders with monthly, tax-advantaged distributions consisting primarily of returns of capital, initially representing a yield on the Unit issue price of 7.0% per annum and (ii) provide exposure to the capital securities.

In order to achieve the Fund's investment objectives, the Fund obtained exposure, in a tax-efficient manner, to the performance of a portfolio (the "Portfolio") held by CS Trust (the "CS Trust" or the "Trust"). The Fund provides investors with a high level of stable, tax-advantaged distributions through exposure to CS Trust's Portfolio of securities issued by HSBC Holdings plc, a conservatively positioned and strongly capitalized global bank. Specifically, the Trust initially had has exposure to (i) the 8.125% Perpetual Subordinated Capital Securities, Series 1 issued by HSBC and (ii) the 8.00% Perpetual Subordinated Capital Securities, Series 2, also issued by HSBC.

The Fund does not invest directly in CS Trust; the Fund used the net proceeds of the initial public offering 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 will receive, on or before December 30, 2015, 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 CS Trust. Partial settlements under the Forward Agreement are intended to ensure that Unitholders have economic exposure to the distributions effected by CS Trust. A fee of 0.35% per annum, calculated with reference to the net asset value of CS Trust, is payable to BMO under the Forward Agreement.

The Fund does not have a fixed distribution but intends to make monthly distributions based on the actual and expected distributions on the capital securities less the Fund's estimated expenses.

RISK

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

Use of leverage

The Fund's exposure to the securities in the Portfolio through the Forward Agreement may be increased to 15.0% of the levered notional amount (being the Net Asset Value of CS Trust) for the purposes of adding leverage to the Portfolio and such other short-term funding purposes as may be determined by the Investment Manager from time to time and in accordance with the Investment Strategy. If the borrowed amount exceeds 15.0% of the levered notional amount, the leverage amount will be reduced to ensure the leverage ratio is not greater than 15.0%. The use of leverage has the potential to enhance or reduce returns.

During the six-month period ended February 28, 2015, the Fund applied leverage in the range from 16.98% to 18.77% or U.S. $11,337,000 to U.S. $13,078,000 for Class A (the Canadian equivalent was 14,089,005 to $15,460,205) and 17.45% to 18.29% or U.S. $1,790,000 to U.S. $1,858,000 for Class U (the Canadian equivalent was $2,009,813 to $2,269,644). (14.23% to 15.79% or U.S. $16,053,000 to U.S. $17,153,000 for Class A, 14.71% to 15.27% or U.S. $3,288,000 to U.S. $3,428,000 for Class U during the six month period ended February 28, 2014). The leverage factor as of February 28, 2015 was 17.34% for Class A and the borrowed balance was U.S. $11,337,000 (the Canadian equivalent was $14,156,032). The leverage factor as of February 28, 2015 was 17.95% for Class U and the borrowed balance was U.S. $1,790,000 (the Canadian equivalent was $2,235,097). (14.86% for Class A and the borrowed balance was U.S. $16,053,000; 14.71% for Class U and the borrowed balance was U.S. $3,288,000 as of February 28, 2014).

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

RECENT DEVELOPMENTS

International Financial Reporting Standards (IFRS)

The Fund adopted IFRS as published by the International Accounting Standards Board (IASB) as of September 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at September 1, 2013 and throughout all periods presented in its Annual financial statements, as if these policies had always been in effect. Note 19 to the Semi-Annual financial statements dated February 28, 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended August 31, 2014 prepared under Canadian GAAP.

RESULTS OF OPERATIONS

Caution regarding forward-looking statements

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

Investment Manager's Commentary (as at March 2015)

Fund Performance

The fund's Class A, Series 1 units returned 1.8% over the six-month period, and 7.0% for the full year to February 28th. The units' annualized return since inception stands at 6.4%. The period was characterized by slowing growth and continued weak investment in much of the global economy, while some developed countries, notably the United States and the UK, surged ahead. Sovereign debt yields hit record lows in Europe as the European Central Bank embarked on a program of quantitative easing early in 2015. The price of oil collapsed through the fall of 2104 and into 2015, effectively transferring real income from net producers to net consumers of oil. Chinese growth retreated to 7% in the first quarter, its weakest expansion since 2009, adding to the downward pressure on commodities prices. Market volatility increased as the period progressed, boosting opportunities for banks to benefit from trading revenues. Global banks' credit spreads declined marginally, and the five-year CDS spread on HSBC's senior unsecured debt fell from 54 to 43 basis points. The NAV of the fund's Class A Series 1 units fell from $22.70 to $22.21 and the fund paid tax-advantaged distributions totalling $0.8748 per unit.

HSBC Series 2 Capital Securities

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

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

HSBC Update

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

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

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

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

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

0.60% in 2013, reflecting tighter lending standards and a supportive economic environment.

Key Performance Measures (Reported Basis)

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

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

Credit Strength

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

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

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

HSBC Group Overview

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

CAPITAL TRANSACTIONS

On October 13, 2010, the Fund completed an initial public offering pursuant to the Prospectus dated September 28, 2010. The following table shows the details of the offering:

	Class A (CAD)			Class U (USD)		
	Series 1	**Series 2**	**Total**	**Series 1**	**Series 2**	**Total**
Units issued	5,797,393	105,500	5,902,893	1,042,724	10,565	1,053,289
Offering price per unit	25.00	25.00		25.00	25.00	
Gross Proceeds	144,934,825	2,637,500	147,572,325	26,068,100	264,125	26,332,225
Agents' fee and issue expenses	(8,192,469)	(69,960)	(8,262,429)	(1,473,200)	(6,951)	(1,480,151)
Net Proceeds	136,742,356	2,567,540	139,309,896	24,594,900	257,174	24,852,074
Opening NAV per unit	23.59	24.34		23.59	24.34	

On April 27, 2012, the Fund completed a private placement and issued an additional 220,200 Class U/ Series 1 Units for gross proceeds of $5,136,723. The issuance expense associated with the private placement was $141,829.

The following tables show the details of the capital transactions for the Fund. The first table shows the capital transactions for the six-month period ended February 28, 2015 and the second table details the capital transactions for six-month period ended February 28, 2014.

February 28, 2015:

	Class A		Class U	
	Series 1	**Series 2**	**Series 1**	**Series 2**
Units issued	–	–	–	–
Total value	–	–	–	–
Units converted to Class A Series 1	11,057	–	(8,000)	–
Total value	267,720	–	(267,720)	–
Units redeemed/ repurchased	–	–	(9,440)	–
Total value	–	–	(186,000)	–

February 28, 2014:

	Class A		Class U	
	Series 1	**Series 2**	**Series 1**	**Series 2**
Units issued	–	–	–	–
Total value	–	–	–	–
Units converted to Class A Series 1	224,596	(5,200)	(208,994)	–
Total value	5,395,451	(122,985)	(5,272,466)	–
Units redeemed/ repurchased	–	–	(4,000)	–
Total value	–	–	(91,481)	–

NET ASSETS

The net assets per unit is calculated as the value of the prepaid amount to the Counterparty under the Forward Agreement plus any other investments held by the Fund, plus the value of any gain or loss on the Forward Agreement, less any net liabilities of the Fund, divided by the number of units outstanding.

Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of CS Trust, the value of the Forward Agreement to the Fund is equal to the transactional value of CS Trust less the value of the prepaid amount to the Counterparty under the Forward Agreement. On February 28, 2015, the value of the prepaid amount to the Counterparty under the Forward Agreement balance was $79,025,918 and the unrealized gain on the Forward Agreement balance was $32,039,004. Other liabilities net of other assets in the Fund totalled $16,994,377, leaving net assets of $94,070,545. This amount is assigned to the Class A, Series 1 and 2 and Class U, Series 1 and 2 Unitholders using an allocation percentage that takes into consideration any class level specific expenses and foreign exchange hedging unrealized gains and losses. On February 28, 2015, the Net assets value per unit were $22.21 for Class A/ Series 1, $22.73 for Class A/ Series 2, $27.65 or U.S. $22.14 for Class U/ Series 1 and $28.75 or U.S. $23.02 for Class U/ Series 2. (On August 31, 2014, the value of the prepaid amount to the Counterparty under the Forward Agreement balance was $84,064,075 and the unrealized gain on the Forward Agreement balance was $27,447,039. Liabilities net of other assets in the Fund totalled $16,846,681, leaving net assets of $94,664,433. This amount is assigned to the Class A, Series 1 and 2 and Class U, Series 1 and 2 Unitholders using an allocation percentage that takes into consideration any class level specific expenses and foreign exchange hedging unrealized gains and losses. On August 31, 2014, the Net assets value per unit were $22.70 for Class A/ Series 1, $23.26 for Class A/ Series 2, $24.61 or U.S. $22.69 for Class U/ Series 1 and $25.60 or U.S. $23.60 for Class U/ Series 2).

DISTRIBUTIONS

The Fund does not have a fixed distribution. The Fund paid an initial distribution of $0.23014 per Class A, Series 1 and 2 Unit and U.S. $0.23014 per Class U, Series 1 and 2 Unit covering the period from October 13, 2010 (commencement of operations) to November 30, 2010. The Fund made regular monthly distributions of $0.1458 per Class A, Series 1 and 2 Unit and U.S. $0.1458 per Class U, Series 1 and 2 Unit thereafter, representing a return of 7.0% per annum on the Class A, Series 1 and 2 and Class U, Series 1 and 2 Unit issue prices.

The Fund has made all its scheduled distributions during the six-month period ended February 28, 2015 paying $0.8748 per Class A, Series 1 and 2 Unit and U.S. $0.8748 per Class U, Series 1 and 2 Unit ($0.8748 per Class A, Series 1 and 2 Unit and U.S. $0.8748 per Class U, Series 1 and 2 Unit during the six-month period ended February 28, 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 six month period ended February 28, 2015.

RELATED PARTY TRANSACTIONS

Management Fees

In consideration for management services and investment advice, the Manager receives a management fee from the Fund and CS Trust equal in the aggregate to 0.40% per annum of the applicable Net Asset Value, (0.15% from the Fund and 0.25% from the Trust) calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund and CS Trust on a combined basis during the six-month period ended February 28, 2015 were $179,099 plus applicable taxes ($243,654 plus applicable taxes during the six month period ended February 28, 2014).

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 Series 2 of the Class A and Class U Units, equal to 0.30% per annum of the Net Asset Value attributable to the Series 2 of the Class A and Class U 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 Series 2 of the Class A and Class U Units held by clients of such brokers at the end of the relevant quarter. No service fee is payable in respect of the Series 1 of the Class A and Class U Units.

The service fees charged to the Fund during the six-month period ended February 28, 2015 were $1,648 ($1,717 during six-month period ended February 28, 2014).

Independent Review Committee ("IRC") Fee

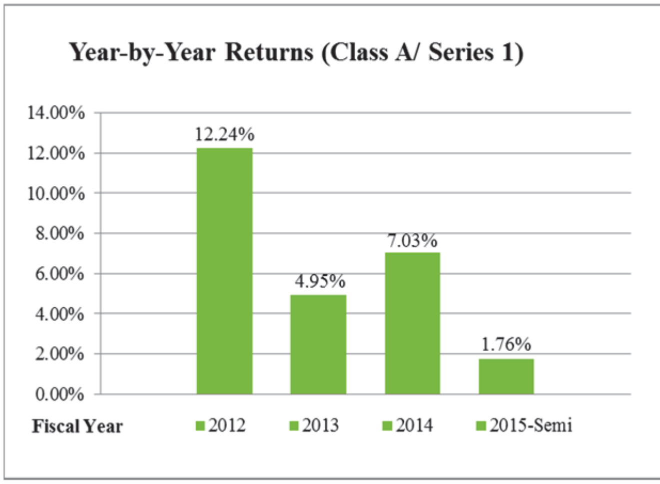
The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

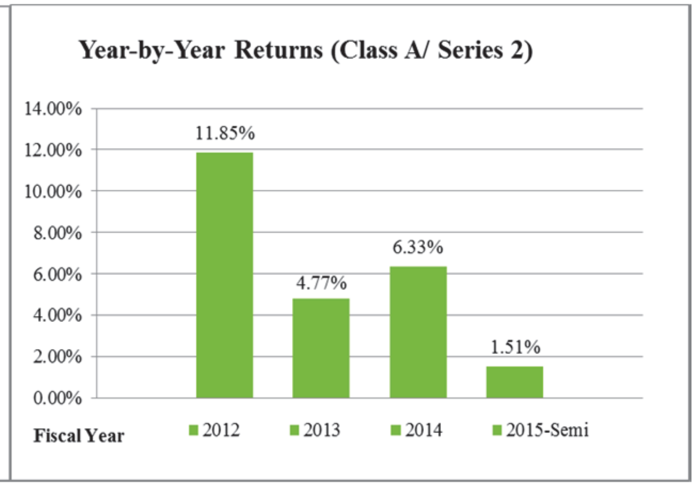
The IRC members each receive $15,000 per annum ($20,000 for the Chairman) plus $1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment funds that are managed by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

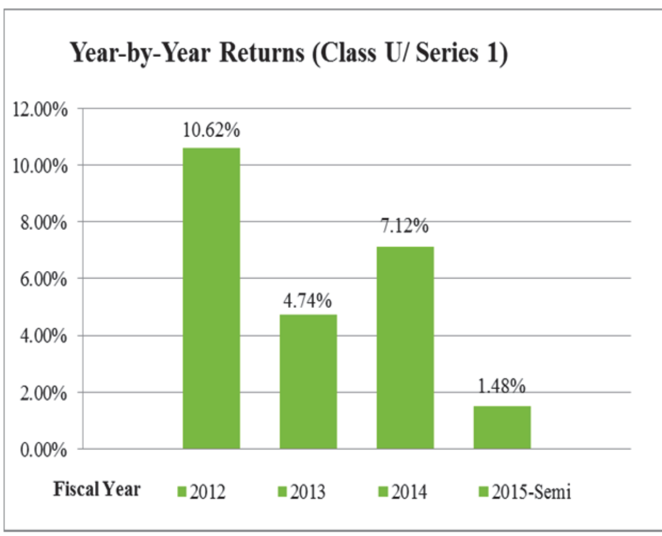
The IRC fees charged to the Fund during the six-month period ended February 28, 2015 were $1,536 (during the six-month period ended February 28, 2014 were $1,536).

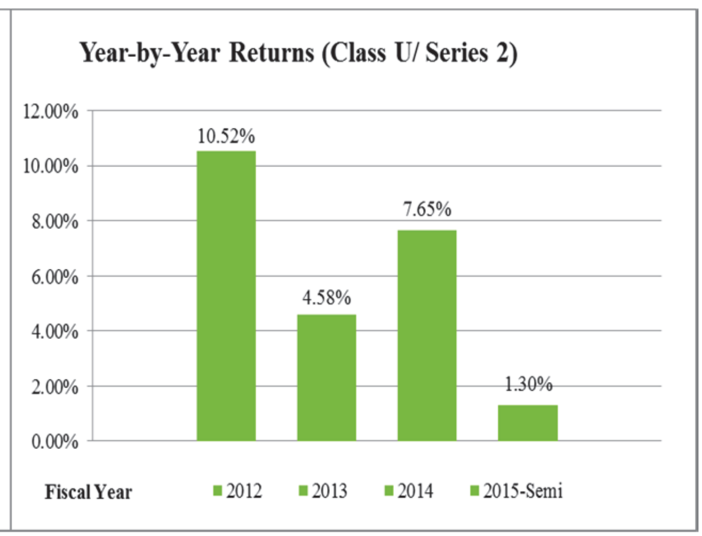
PAST PERFORMANCE

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









FINANCIAL HIGHLIGHTS

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

Class A/ Series 1:

The Fund's Net Assets per Class A / Series 1 Unit:	February 28, 2015 (2) CAD	August 31, 2014 CAD	August 31, 2013 CAD	August 31, 2012 CAD	August 31, 2011 (1) CAD
Net Assets, beginning of period (7)	**22.70**	**22.91**	**23.51**	**22.56**	**25.00**
Unit issue expense (3)				**–**	**(1.41)**
Increase (decrease) from operations:					
Total revenues	–	–	–	–	–
Total expenses	(0.10)	(0.20)	(0.21)	(0.20)	(0.18)
Realized gains (losses) for the period	0.34	1.43	1.34	0.32	0.02
Unrealized gains (losses) for the period	0.14	0.16	0.29	2.58	0.68
Total increase (decrease) from operations (4)	**0.38**	**1.39**	**1.42**	**2.70**	0.52
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.87)	(1.75)	(1.75)	(1.75)	(1.75)
Total Distributions (5)	**(0.87)**	**(1.75)**	**(1.75)**	**(1.75)**	**(1.75)**
Net Assets, end of period (6) (7)	**22.28**	**22.70**	**22.91**	**23.51**	**22.56**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) Issue expenses of $8,192,469 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.
(4) 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 3,632,785 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 4,318,466 units).
(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(6) This is not a reconciliation between the opening and the closing net assets per unit.
(7) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class A/Series 1 Units):	February28, 2015 (2) CAD	August 31, 2014 CAD	August 31, 2013 CAD	August 31, 2012 CAD	August 31, 2011 (1) CAD
Net assets (000's)	80,819	82,333	103,646	132,049	131,879
Number of units outstanding	3,638,348	3,627,291	4,524,421	5,616,599	5,831,734
Base Management expense ratio (3) (4)	0.77%	0.72%	0.72%	0.68%	0.71%
Interest expenses ratio (3) (4)	0.18%	0.16%	0.17%	0.20%	0.15%
Issue expenses ratio (2) (3)	0.00%	0.00%	0.00%	0.00%	0.61%
Management expense ratio (annualized) (4)	0.95%	0.88%	0.89%	0.88%	6.96%
Management expense ratio before waivers or absorptions (annualized) (4)	0.95%	0.88%	0.89%	0.88%	6.96%
Portfolio turnover rate (5)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (6)	0.00%	0.00%	0.00%	0.00%	0.00%
Closing market price (TSX)	22.07	22.10	22.08	22.80	23.10

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) 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.
(4) 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.
(5) 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.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Class A/ Series 2:

The Fund's Net Assets per Class A / Series 2 Unit:	**February 28, 2015 [2] CAD**	**August 31, 2014 CAD**	**August 31, 2013 CAD**	**August 31, 2012 CAD**	**August 31, 2011 [1] CAD**
Net Assets, beginning of period [7]	**23.26**	**23.58**	**24.19**	**23.24**	**25.00**
Unit issue expense [3]	–	–	–	–	**(0.66)**
Increase (decrease) from operations:					
Total revenues	–	–	–	–	–
Total expenses	(0.12)	(0.31)	(0.31)	(0.29)	(0.18)
Realized gains (losses) for the period	0.35	1.49	1.37	0.33	0.02
Unrealized gains (losses) for the period	0.11	0.26	0.63	2.66	0.60
Total increase (decrease) from operations [4]	**0.34**	**1.44**	**1.69**	**2.70**	**0.44**
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.87)	(1.75)	(1.75)	(1.75)	(1.54)
Total Distributions [5]	**(0.87)**	**(1.75)**	**(1.75)**	**(1.75)**	**(1.54)**
Net Assets, end of period [6] [7]	**22.73**	**23.26**	**23.58**	**24.19**	**23.24**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.

(2) Results for the six-month period ended February 28, 2015.

(3) Issue expenses of $69,960 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.

(4) 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 35,200 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 36,506 units).

(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

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

(7) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class A/Series 2 Units):	**February 28, 2015 [2] CAD**	**August 31, 2014 CAD**	**August 31, 2013 CAD**	**August 31, 2012 CAD**	**August 31, 2011 [1] CAD**
Net assets (000's)	800	819	953	1,703	2,430
Number of units outstanding	35,200	35,200	40,400	70,400	104,300
Base Management expense ratio [3] [4]	0.85%	1.15%	1.11%	1.06%	1.11%
Interest expenses ratio [3] [4]	0.18%	0.16%	0.16%	0.20%	0.15%
Issue expenses ratio [2] [3]	0.00%	0.00%	0.00%	0.00%	2.78%
Management expense ratio (annualized) [4]	1.03%	1.31%	1.27%	1.26%	4.04%
Management expense ratio before waivers or absorptions (annualized) [4]	1.03%	1.31%	1.27%	1.26%	4.04%
Portfolio turnover rate [5]	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio [6]	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.

(2) Results for the six-month period ended February 28, 2015.

(3) 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.

(4) 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.

(5) 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.

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

Class U/ Series 1:

The Fund's Net Assets per Class U / Series 1 Unit:	**February 28, 2015** [2] **USD**	**August 31, 2014 USD**	**August 31, 2013 USD**	**August 31, 2012 USD**	**August 31, 2011** [1] **USD**
Net Assets, beginning of period [7]	**22.69**	**22.87**	**23.53**	**22.92**	**25.00**
Unit issue expense [3]		–	–	**(0.16)**	**(1.44)**
Increase (decrease) from operations:					
Total revenues	–	–	–	–	0.01
Total expenses	(0.14)	(0.26)	(0.26)	(0.22)	(0.18)
Realized gains (losses) for the period	0.43	3.70	0.60	0.19	(0.05)
Unrealized gains (losses) for the period	3.23	(1.07)	2.34	2.56	0.49
Total increase (decrease) from operations [4]	**3.52**	**2.37**	**2.68**	**2.53**	**0.27**
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.87)	(1.75)	(1.75)	(1.75)	(1.54)
Total Distributions [5]	**(0.87)**	**(1.75)**	**(1.75)**	**(1.75)**	**(1.54)**
Net Assets, end of period [6] [7]	**22.14**	**22.69**	**22.87**	**23.53**	**22.92**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) Issue expenses of $1,473,200 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.
(4) 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 456,077 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 618,333 units).
(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(6) This is not a reconciliation between the opening and the closing net assets per unit.
(7) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class U/Series 1 Units):	**February 28, 2015** [2] **USD**	**August 31, 2014 USD**	**August 31, 2013 USD**	**August 31, 2012 USD**	**August 31, 2011** [1] **USD**
Net assets (000's)	9.939	10,580	19,172	21,848	23,192
Number of units outstanding	448,899	466,339	838,156	928,619	1,009,424
Base Management expense ratio [3] [4]	1.07%	0.97%	0.94%	0.76%	0.69%
Interest expenses ratio [3] [4]	0.18%	0.00%	0.00%	0.69%	6.31%
Issue expenses ratio [2] [3]	0.00%	0.19%	0.18%	0.21%	0.17%
Management expense ratio (annualized) [4]	1.25%	1.16%	1.12%	1.66%	7.17%
Management expense ratio before waivers or absorptions (annualized) [4]	1.25%	1.16%	1.12%	1.66%	7.17%
Portfolio turnover rate [5]	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio [6]	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) 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.
(4) 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.
(5) 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.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Class U/ Series 2:

The Fund's Net Assets per Class U / Series 2 Unit:	February 28, 2015 (2) USD	August 31, 2014 USD	August 31, 2013 USD	August 31, 2012 USD	August 31, 2011 (1) USD
Net Assets, beginning of period (7)	**23.60**	**23.60**	**24.27**	**23.61**	**25.00**
Unit issue expense (3)		–	–	–	**(0.66)**
Increase (decrease) from operations:					
Total revenues	–	–	–	–	0.02
Total expenses	(0.15)	(0.37)	(0.47)	(0.34)	(0.18)
Realized gains (losses) for the period	0.45	4.03	0.62	0.20	(0.06)
Unrealized gains (losses) for the period	3.32	(1.26)	1.68	2.62	0.43
Total increase (decrease) from operations (4)	**3.62**	**2.40**	**1.83**	**2.48**	**0.21**
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.87)	(1.75)	(1.75)	(1.75)	(1.54)
Total Distributions (5)	**(0.87)**	**(1.75)**	**(1.75)**	**(1.75)**	**(1.54)**
Net Assets, end of period (6) (7)	**23.02**	**23.60**	**23.60**	**24.27**	**23.61**

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) Issue expenses of $6,951 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.
(4) 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 1,400 Class A Units outstanding as of February 28, 2015 (August 31, 2014 – 1,400 units).
(5) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.
(6) This is not a reconciliation between the opening and the closing net assets per unit.
(7) The Fund adopted International Financial Reporting Standards ("IFRS") commencing September 1, 2014. This information for the period August 31, 2014 and going forward is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class U/Series 2 Units):	February 28, 2015 (2) USD	August 31, 2014 USD	August 31, 2013 USD	August 31, 2012 USD	August 31, 2011 (1) USD
Net assets (000's)	32	33	33	131	250
Number of units outstanding	1,400	1,400	1,400	5,401	10,565
Base Management expense ratio (3) (4)	1.11%	1.37%	1.76%	1.28%	1.10%
Interest expenses ratio (3) (4)	0.18%	0.20%	0.18%	0.21%	0.17%
Issue expenses ratio (2) (3)	0.00%	0.00%	0.00%	0.00%	2.79%
Management expense ratio (annualized) (4)	1.29%	1.57%	1.94%	1.49%	4.06%
Management expense ratio before waivers or absorptions (annualized) (4)	1.29%	1.57%	1.94%	1.49%	4.06%
Portfolio turnover rate (5)	0.00%	0.00%	0.00%	0.00%	0.00%
Trading expense ratio (6)	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Results for the period from October 13, 2010 (commencement of operations) to August 31, 2011.
(2) Results for the six-month period ended February 28, 2015.
(3) 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.
(4) 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.
(5) 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.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

SUMMARY OF INVESTMENT PORTFOLIO AS OF FEBRUARY 28, 2015

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

Investment portfolio of the Fund

Portfolio by Category	Fair value $	% of NAV
Prepaid Forward Agreement	111,064,922	118.1%
Leverage	(16,391,129)	-17.4%
Cash	86,107	0.1%
Other liabilities net of other assets	(689,355)	-0.7%
Top 25 Holdings		
Prepaid forward agreement	111,064,922	118.1%
Cash	86,107	0.1%
Net asset value	**94,070,545**	

The Fund obtained exposure to the performance of the portfolio held by CS Trust through the Forward Agreement (see Investment Objectives and Strategies). The following is the summary of investment portfolio for CS Trust as of February 28, 2015:

Investment portfolio of CS Trust

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

(1) First call date.

HBanc Capital Securities Trust

Financial Statements (Unaudited)
28/02/2015

Notice to Reader:

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

STATEMENTS OF FINANCIAL POSITION (Unaudited)

As at		February 28, 2015 (Unaudited)		August 31, 2014 (Unaudited)		September 1, 2013 (Unaudited)
Assets						
Current assets						
Cash	$	86,107	$	58,148	$	73,596
Prepaid forward agreement (notes 11 and 12)		94,673,793		95,309,263		125,702,429
Prepaid expenses and other assets		289,797		26,307		8,378
		95,049,697		95,393,718		125,784,403
Liabilities						
Current liabilities						
Interest payable		12,126		12,936		17,849
Distributions payable		617,582		607,982		794,678
Accounts payable and accrued liabilities		320,028		74,124		57,341
Forward fees payable		29,142		32,893		43,884
Management fees payable		274		1,350		12,472
		979,152		729,285		926,224
Net assets attributable to holders of redeemable units		94,070,545		94,664,433		124,858,179
Net Assets attributable to holders of redeemable units per series						
Class A / Series 1		80,819,311		82,333,281		103,646,272
Class A / Series 2		799,991		818,781		952,763
Class U / Series 1		12,410,993		11,476,533		20,224,284
Class U / Series 2		40,250		35,838		34,860
Class U / Series 1 (USD)	USD	9,939,468	USD	10,579,871	USD	19,171,812
Class U / Series 2 (USD)	USD	32,235	USD	33,038	USD	33,046
Redeemable units outstanding per series (note 5)						
Class A / Series 1		3,638,348		3,627,291		4,524,421
Class A / Series 2		35,200		35,200		40,400
Class U / Series 1		448,899		466,339		838,156
Class U / Series 2		1,400		1,400		1,400
Net assets attributable to holders of redeemable units per unit						
Class A / Series 1		22.21		22.70		22.91
Class A / Series 2		22.73		23.26		23.58
Class U / Series 1		27.65		24.61		24.13
Class U / Series 2		28.75		25.60		24.90
Class U / Series 1 (USD)	USD	22.14	USD	22.69	USD	22.87
Class U / Series 2 (USD)	USD	23.02	USD	23.60	USD	23.60

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

W. Neil Murdoch

Director

Director

(See accompanying notes to financial statements)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

For the six-month periods ended February 28		2015		2014
Income				
Net foreign currency gain (loss) on cash	$	14,545	$	2,587
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss:				
Net realized gain (loss) on derivative contracts (note 12)		1,477,488		1,138,379
Change in unrealized gain (loss) on foreign exchange		(2,351,605)		(1,066,635)
Change in unrealized gain (loss) on derivative contracts (note 12)		4,592,061		3,538,488
Forward fees (note 12)		(195,538)		(253,937)
Total income (loss)		3,536,951		3,358,882
Expenses				
Interest expense (note 11)		80,179		101,895
Management fees (note 9)		69,773		91,538
Custodial and other unitholder fees		31,084		28,551
Administration fees		15,646		15,777
Harmonized sales tax		12,525		15,236
Transfer agent fees		11,123		9,194
Audit fees		9,919		9,919
TSX fees		7,213		8,944
Filing fees		6,320		6,465
Other fees		6,041		3,706
Printing and mailing fees		5,620		5,775
Legal fees		2,479		2,479
Service fees (note 9)		1,648		1,717
IRC fees		1,536		1,536
Total expenses		261,106		302,732
Increase (decrease) in net assets attributable to holders of redeemable units		3,275,845		3,056,150
Increase (decrease) in Net Assets attributable to holders of redeemable units per series				
Class A / Series 1		1,397,327		1,566,845
Class A / Series 2		12,003		12,964
Class U / Series 1		1,860,649		1,473,045
Class U / Series 2		5,866		3,296
Class U / Series 1 (USD) (1)	USD	1,607,231	USD	1,385,782
Class U / Series 2 (USD) (1)	USD	5,067	USD	3,101
Increase (decrease) in Net Assets attributable to holders of redeemable units per unit (2)				
Class A / Series 1		0.38		0.34
Class A / Series 2		0.34		0.34
Class U / Series 1		4.08		2.04
Class U / Series 2		4.19		2.35
Class U / Series 1 (USD) (1)	USD	3.52	USD	1.92
Class U / Series 2 (USD) (1)	USD	3.62	USD	2.21

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

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

For the six-month periods ended February 28

Class A	**2015 Series 1**	**2015 Series 2**	**2015 Total**	**2014 Series 1**	**2014 Series 2**	**2014 Total**
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ 1,397,327	$ 12,003	$ 1,409,330	$ 1,566,845	$ 12,964	$ 1,579,809
Distributions to holders of redeemable units from: (note 8)						
Return of capital	(3,179,017)	(30,793)	(3,209,810)	(4,082,065)	(32,718)	(4,114,783)
Redeemable unitholder's transactions (note 5)						
Conversion from Class A/ Series 2, Class U/ Series 1 and Class U/ Series 2 to Class A/ Series 1	267,720	-	267,720	5,395,451	(122,985)	5,272,466
Payments on redemption /cancellation of redeemable units	-	-	-	-	-	-
	267,720	-	267,720	5,395,451	(122,985)	5,272,466
Change in Net Assets attributable to holders of redeemable units during the period	(1,513,970)	(18,790)	(1,532,760)	2,880,231	(142,739)	2,737,492
Net Assets attributable to holders of redeemable units, beginning of period	82,333,281	818,781	83,152,062	103,646,272	952,763	104,599,035
Net Assets attributable to holders of redeemable units, end of period	$ 80,819,311	$ 799,991	$ 81,619,302	$106,526,503	$ 810,024	$107,336,527

Class U	**2015 Series 1**	**2015 Series 2**	**2015 Total**	**2014 Series 1**	**2014 Series 2**	**2014 Total**
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ 1,860,649	$ 5,866	$ 1,866,515	$ 1,473,045	$ 3,296	$ 1,476,341
Distributions to holders of redeemable units from: (note 8)						
Return of capital	(472,469)	(1,454)	(473,923)	(657,676)	(1,313)	(658,989)
Redeemable unitholder's transactions (note 5)						
Conversion from Class A/ Series 2, Class U/ Series 1 and Class U/ Series 2 to Class A/ Series 1	(267,720)	-	(267,720)	(5,272,466)	-	(5,272,466)
Payments on redemption /cancellation of redeemable units	(186,000)	-	(186,000)	(91,481)	-	(91,481)
	(453,720)	-	(453,720)	(5,363,947)	-	(5,363,947)
Change in Net Assets attributable to holders of redeemable units during the period	934,460	4,412	938,872	(4,548,578)	1,983	(4,546,595)
Net Assets attributable to holders of redeemable units, beginning of period	11,476,533	35,838	11,512,371	20,224,284	34,860	20,259,144
Net Assets attributable to holders of redeemable units, end of period	$ 12,410,993	$ 40,250	$ 12,451,243	$ 15,675,706	$ 36,843	$ 15,712,549

Total	**2015**	**2014**
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ 3,275,845	$ 3,056,150
Distributions to holders of redeemable units from: (note 8)		
Return of capital	(3,683,733)	(4,773,772)
Redeemable unitholder's transactions (note 5)		
Conversion from Class A/ Series 2, Class U/ Series 1 and Class U/ Series 2 to Class A/ Series 1	-	-
Payments on redemption /cancellation of redeemable units	(186,000)	(91,481)
	(186,000)	(91,481)
Change in Net Assets attributable to holders of redeemable units during the period	(593,888)	(1,809,103)
Net Assets attributable to holders of redeemable units, beginning of period	94,664,433	124,858,179
Net Assets attributable to holders of redeemable units, end of period	$ 94,070,545	$123,049,076

(See accompanying notes to financial statements)

STATEMENTS OF CASH FLOWS (Unaudited)

For the six-month periods ended February 28	2015	2014
Operating Activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	$ 3,275,845	$ 3,056,150
Items not affecting cash:		
Change in unrealized (gain) loss on forward agreement	(4,592,061)	(3,538,488)
Net realized (gain) loss on forward agreement	(1,477,394)	(1,138,379)
Changes in non-cash working capital:		
(Increase) decrease in prepaid expenses and other assets	(263,490)	8,378
Increase (decrease) in interest payable	(810)	(2,467)
Increase (decrease) in accounts payable and accrued liabilities	245,904	(14,387)
Increase (decrease) in forward fees payable	(3,751)	(5,137)
Increase (decrease) in management fees payable	(1,076)	(5,856)
Pre-settlements received by the Fund from the Counterparty under the forward agreement, net of leverage	6,704,925	6,528,812
Net cash flow provided by (used in) financing activities	3,888,092	4,888,626
Financing Activities		
Payments on redemption/cancellation of redeemable units (note 5)	(186,000)	(91,481)
Distributions paid to holder of redeemable units (note 8)	(3,674,133)	(4,769,788)
	(3,860,133)	(4,861,269)
Net cash flow provided by (used in) financing activities	27,959	27,357
Cash - beginning of period	58,148	73,596
Cash - end of period	$ 86,107	$ 100,953
Supplementary Information		
Interest paid	80,989	104,362

(See accompanying notes to financial statements)

SCHEDULE OF INVESTMENT PORTFOLIO (Unaudited)

As at February 28, 2015

	Maturity date	Number of shares / par value $	Average cost $	Fair value $	% of NAV
Forward agreement:					
Investments held in CS Trust under the prepaid forward agreement (1)					
Preferred Stock (USD)					
Financials					
HSBC Holdings PLC, Series 2, 8.000% (2)	15/12/2015	3,806,670	106,636,528	125,009,891	132.9%
Total investments			106,636,528	125,009,891	132.9%

	Maturity date	Contract price / rate $	Unrealized gain (loss) $	% of NAV
Foreign currency forward contracts (3)				
Bought CAD 81,507,860 sold USD 78,200,000	15/12/2015	0.95942	(16,450,061)	-17.5%
Other assets net of other liabilities of CS Trust			2,505,092	2.7%
Transactional net asset value of CS Trust			111,064,922	118.1%
Prepaid forward agreement, before leverage			111,064,922	118.1%
Leverage (note 11)			(16,391,129)	-17.5%
Prepaid forward agreement, after leverage			94,673,793	100.6%
Other liabilities net of other assets of the Fund			(603,248)	-0.6%
Net asset of the Fund			94,070,545	100.0%

(1) HBanc Capital Securities Trust (the "Fund") obtained exposure to the performance of the portfolio held by CS Trust (the "Trust") through the Forward Agreement (see note 8); thus, the portfolio of the Trust is presented as part of this statement.

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

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

(See accompanying notes to financial statements)

NOTES TO THE FINANCIAL STATEMENTS (FEBRUARY 28, 2015)

1 GENERAL INFORMATION

HBanc Capital Securities Trust (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 Aston Hill Capital Markets Inc. (the "Manager") the Manager of the Fund and RBC Investor Services Trust (the "Trustee") dated September 28, 2010. 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 August 31.

The Fund is offered in two classes of Units, each of which is offered in two series: Class A Units, Series 1 and 2 at a price of $25.00 per Class A Unit and Class U Units, Series 1 and 2 at a price of U.S. $25.00 per Class U Unit. The only difference between the two series of each class of Units is the fees paid with respect to such series. The Class U Units are designed for investors wishing to make their investments in U.S. dollars. The Class A/ Series 1 Units are listed on the Toronto Stock Exchange (the "TSX") under the symbol HSC.UN. The Class A/ Series 2, Class U/ Series 1 and Class U/ Series 2 Units are not listed on the TSX but may be converted into Class A/ Series 1 Units on a weekly basis. The termination date of the fund is December 30, 2015. Class A of the Fund is exposed to the leveraged returns of the Transactional NAV of Class A of the Trust through its investment in the Prepaid Forward Agreement. The returns of Class A are subject to a currency hedge. Class U of the Fund is exposed to the leveraged returns of the Transactional NAV of Class U of the Trust through its investment in the Prepaid Forward Agreement. This class is not currency hedged.

The Fund's investment objectives are to:

i) provide Unitholders with monthly, tax-advantaged distributions consisting primarily of returns of capital, initially representing a yield on the Unit issue price of 7.0% per annum and

ii) provide exposure to the Capital Securities.

In order to achieve the Fund's investment objectives, the Fund obtains exposure, in a tax-efficient manner, to the performance of a portfolio (the "Portfolio") held by CS Trust (the "CS Trust" or the "Trust"). The Fund provides investors with high levels of stable, tax-advantaged distributions through exposure to CS Trust's Portfolio of securities issued by HSBC Holdings plc, a conservatively positioned and strongly capitalized global bank. Specifically, the Trust may have exposure to (i) the 8.125% Perpetual Subordinated Capital Securities, Series 1 issued by HSBC and (ii) the 8.00% Perpetual Subordinated Capital Securities, Series 2 issued also by HSBC.

2 BASIS OF PREPARATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and under the historical cost convention basis, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit and loss. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at September 01, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 17 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended August 31, 2014 prepared under Canadian GAAP.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

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

b) Fair Value Measurement

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

The fair value of financial assets and liabilities that are not traded in an active market including foreign currency forward contracts are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each measurement date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and others commonly used by market participants and which make the maximum us of observable inputs. Refer to note 13 for further information about the Fund's fair value measurements.

c) Cash

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

d) Investment Transactions and Income Recognition

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

e) Transaction Costs

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

f) Foreign currency forward contracts

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

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

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

h) Valuation of a class

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

i) Related party transactions

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

j) Foreign currency translation

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

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

k) Initial fees and expenses

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

l) Accounting Standards Issued But Not Yet Adopted

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Classification of Redeemable Units Issued by the Fund

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

Functional and Presentation Currency

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

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

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

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

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

5 REDEEMABLE UNITS OF THE FUND

The beneficial interest in the net assets and net income of the Fund is divided into two classes of units, Class A Units and Class U Units. The Class A Units and Class U Units were each issued in two series designated as Series 1 and Series 2. The only difference between the two series of each class of Units is the fees paid with respect to such series. The Agents' fees payable with respect to the original issuance of units were lower for the Class A/ Series 2 and Class U/ Series 2 Units than the Class A/ Series 1 and Class U/ Series 1 Units. The service fees are only payable by the Class A/ Series 2 and Class U/ Series 2 Units. The Fund is authorized to issue an unlimited number of Units of each class. The Class A/ Series 2, Class U/ Series 1 and Class U/ Series 2 Units may be converted into Class A/ Series 1 Units on a weekly basis. Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to Unitholders of each class/ series being entitled to distributions or redemptions based on the Net Asset Value of the Units of a particular class/ series.

On October 13, 2010, the Fund completed its initial public offering pursuant to the Prospectus dated September 28, 2010. The details of the initial public offering are summarized as follows:

	Class A (CAD)			Class U (USD)		
	Series 1	**Series 2**	**Total**	**Series 1**	**Series 2**	**Total**
Units issued	5,797,393	105,500	5,902,893	1,042,724	10,565	1,053,289
Offering price per unit	25.00	25.00		25.00	25.00	
Gross Proceeds	144,934,825	2,637,500	147,572,325	26,068,100	264,125	26,332,225
Agents' fee and issue expenses	(8,192,469)	(69,960)	(8,262,429)	(1,473,200)	(6,951)	(1,480,151)
Net Proceeds	136,742,356	2,567,540	139,309,896	24,594,900	257,174	24,852,074
Opening NAV per unit	23.59	24.34		23.59	24.34	

The Class A Units and Class U Units may be redeemed on an Annual Redemption Date, which is the second last Business Day (any day except Saturday, Sunday, a statutory holiday in Toronto or any other day on which the TSX is no open for trading) of April of each year, 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 last

Business Day of March in the year of redemption. Unitholders whose Units are redeemed on an Annual Redemption Date will receive a redemption price in an amount equal to 100% of the annual redemption price less any costs associated with the redemption, including brokerage costs and less any net realized capital gains 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 U Units may also be redeemed on a Monthly Redemption Date, which is the second last Business Day of each month other than April, 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 redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains of the Fund incurred by it to fund the payment of the redemption price. Unitholders surrendering a Class A/ Series 1 Unit for redemption will receive an amount equal to the lesser of (i) 95% of the Market Price of a Class A/ Series 1 Unit, which is the weighted average trading price on the TSX (or such other stock exchange on which such security is listed) for 10 trading days immediately preceding such Monthly Redemption Date and (ii) 100% of the Closing Market Price of a Class A/ Series 1 Unit on the applicable Monthly Redemption Date, which is the closing price on the TSX (or such other stock exchange on which such security is listed) on such 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 on the TSX (or such other stock exchange on which such security is listed) on such Monthly Redemption Date less, in each case, any costs associated with the redemption and less any net realized capital gains of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption, being the Monthly Redemption Amount. Unitholders surrendering a Class A/ Series 2 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 A/ Series 2 Unit and the denominator of which is the most recently calculated net asset value per Class A/ Series 1 Unit. Unitholders surrendering a Class U/ Series 1 Unit for redemption will receive, in U.S. dollars, an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated redemption net assets per unit of a Class U/ Series 1 Unit and the denominator of which is the most recently calculated redemption net assets per unit of a Class A/ Series 1 Unit. Unitholders surrendering a Class U/ Series 2 Unit for redemption will receive in U.S. dollars, an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated redemption net assets per unit of a Class U/ Series 2 Unit and the denominator of which is the most recently calculated redemption net assets per unit of a Class A/ Series 1 Unit.

On April 27, 2012, the Fund completed a private placement issuance for the Class U/ Series 1 Units. The Fund issued 220,200 Class U/ Series 1 Units for gross proceeds of $5,136,723 and incurred an issuance fee of $141,829. The amount of the issuance fee was only borne by the private placement subscribers.

During the six month period ended February 28, 2014, there were 5,200 Class A/ Series 2 Units and 208,994 Class U/ Series 1 Units converted into 224,596 Class A/ Series 1 Units for a total value of $5,395,451 (6,600 Class A/ Series 2 Units and 21,700 Class U/ Series 1 Units were converted into 28,149 Class A/ Series 1 Units for a total value of $696,270 during the six month period ended February 28, 2013). During the same period, the Fund also had redemptions of 4,000 Class U/ Series 1 Units for $91,481 (6,000 Class U/ Series 1 Units were redeemed for $131,009 during the year ended February 28, 2013).

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

	Class A/ Series 1 Units		**Class A/ Series 2 Units**	
	February 28, 2015	**February 28, 2014**	**February 28, 2015**	**February 28, 2014**
Balance – beginning of year	3,627,291	4,524,421	35,200	40,400
Units issued	–	–	–	–
Units converted to Class A / Series 1	11,057	224,596	–	(5,200)
Units redeemed	–	–	–	–
Units cancelled (note 7)	–	–	–	–
Balance – end of year	3,638,348	4,749,017	35,200	35,200

	Class U/ Series 1 Units		**Class U/ Series 2 Units**	
	February 28, 2015	**February 28, 2014**	**February 28, 2015**	**February 28, 2014**
Balance – beginning of year	466,339	838,156	1,400	1,400
Units issued	–	–	–	–
Units converted to Class A/ Series 1	(8,000)	(218,094)	–	–
Units redeemed	(9,440)	(153,723)	–	–
Units cancelled (note 7)	–	–	–	–
Balance – end of year	448,899	466,339	1,400	1,400

The Unit Capital dollar amount represents the face value of the Fund's Units minus any return on capital distributions and issue costs paid since October 13, 2010 (commencement of operations) to February 28, 2015. If the redemption price is lower than the average cost per unit, the difference is included in Contributed Surplus on the Statements of Net Assets. If the redemption price is greater than the average cost per unit, the difference is first charged to Contributed Surplus until the balance in Contributed Surplus is eliminated and the remaining amount is charged to Retained Earnings (Deficit).

The Fund considers capital to include all units issued and outstanding. The Fund manages its capital in accordance with the objectives outlined in Note 2.

6 CUSTODIAN

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

7 FUND ADMINISTRATION

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

8 DISTRIBUTIONS

The Fund does not have a fixed distribution. The Fund paid an initial distribution of $0.23014 per Class A, Series 1 and 2 Unit and U.S. $0.23014 per Class U, Series 1 and 2 Unit covering the period from October 13, 2010 (commencement of operations) to November 30, 2010. The Fund made regular monthly distributions of $0.1458 per Class A, Series 1 and 2 Unit and U.S. $0.1458 per Class U, Series 1 and 2 Unit thereafter, representing a return of 7.0% per annum on the Class A, Series 1 and 2 and Class U, Series 1 and 2 Unit issue prices.

The Fund has made all its scheduled distributions during the six-month period ended February 28, 2015 paying $0.8748 per Class A, Series 1 and 2 Unit and U.S. $0.8748 per Class U, Series 1 and 2 Unit ($0.8748 per Class A, Series 1 and 2 Unit and U.S. $0.8748 per Class U, Series 1 and 2 Unit during the six-month period ended February 28, 2014).

9 RELATED PARTY TRANSACTIONS

Management Fees

In consideration for management services and investment advice, the Manager receives a management fee from the Fund and CS Trust equal in the aggregate to 0.40% per annum of the applicable Net Asset Value, (0.15% from the Fund and 0.25% from the Trust) calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund and CS Trust on a combined basis during the six-month period ended February 28, 2015 were $179,099 plus applicable taxes ($243,654 plus applicable taxes during the six month period ended February 28, 2014).

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 Series 2 of the Class A and Class U Units, equal to 0.30% per annum of the Net Asset Value attributable to the Series 2 of the Class A and Class U 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 Series 2 of the Class A and Class U Units held by clients of such brokers at the end of the relevant quarter. No service fee is payable in respect of the Series 1 of the Class A and Class U Units.

The service fees charged to the Fund during the six-month period ended February 28, 2015 were $1,648 ($1,717 during six-month period ended February 28, 2014).

Independent Review Committee ("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.

The IRC fees charged to the Fund during the six-month period ended February 28, 2015 were $1,536 (during the six-month period ended February 28, 2014 were $1,536).

10 INVESTMENT TRANSACTIONS AND SOFT DOLLAR SERVICES

There were $nil broker commissions paid during the six-month periods ended February 28, 2015 and February 28, 2014. No contractual arrangements for soft dollar services exist in the broker commission charges.

11 LEVERAGE

The Fund's exposure to the securities in the Portfolio through the Forward Agreement may be increased to 15.0% of the levered notional amount (being the Net Asset Value of CS Trust) for the purposes of adding leverage to the Portfolio and such 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 leverage conditions are part of the Forward Agreement dated October 13, 2010 between the Manager and the Bank of Montreal (the "Counterparty" or "BMO") (see note 8). This agreement will be terminated on the earlier of (i) December 30, 2015 and (ii) the date on which this transaction is pre-settled in full pursuant to the terms of the Credit Agreement. In addition to the normal interest charges calculated on the amount of actual borrowing, the Fund is also charged a small fee of 0.25% on the difference between the maximum allowable borrowing amount and the amount of actual borrowing. If the borrowed amount exceeds 15.0% of the levered notional amount, the leverage amount will be reduced to ensure the leverage ratio is not greater than 15.0%.

During the six-month period ended February 28, 2015, the Fund applied leverage in the range from 16.98% to 18.77% or U.S. $11,337,000 to U.S. $13,078,000 for Class A (the Canadian equivalent was 14,089,005 to $15,460,205) and 17.45% to 18.29% or U.S. $1,790,000 to U.S. $1,858,000 for Class U (the Canadian equivalent was $2,009,813 to $2,269,644). (14.23% to 15.79% or U.S. $16,053,000 to U.S. $17,153,000 for Class A, 14.71% to 15.27% or U.S. $3,288,000 to U.S. $3,428,000 for Class U during the six month period ended February 28, 2014). The leverage factor as of February 28, 2015 was 17.34% for Class A and the borrowed balance was U.S. $11,337,000 (the Canadian equivalent was $14,156,032). The leverage factor as of February 28, 2015 was 17.95% for Class U and the borrowed balance was U.S. $1,790,000 (the Canadian equivalent was $2,235,097). (14.86% for Class A and the borrowed balance was U.S. $16,053,000; 14.71% for Class U and the borrowed balance was U.S. $3,288,000 as of February 28, 2014).

12 FORWARD AGREEMENT

The Fund does not invest directly in CS Trust; the Fund used the net proceeds of its initial public offering 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 S&P credit rating was A+ as of February 28, 2015, August 31, 2014 and September 1, 2013. Under the Forward Agreement, the Fund will receive, on or before December 30, 2015, 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 CS Trust. Partial settlements under the Forward Agreement are intended to ensure that Unitholders have economic exposure to the distributions effected by CS Trust. A fee of 0.35% per annum, calculated with reference to the NAV of CS Trust, is payable to BMO under the Forward Agreement. The Fund's exposure to the securities in the Portfolio through the Forward Agreement may be increased 15% through the use of leverage (Note 5). The Forward Agreement may be terminated by either party with 90 days' notice.

Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of CS Trust, the value of the Forward Agreement to the Fund is equal to the transactional value of CS Trust less the value of the prepaid amount to the Counterparty under the Forward Agreement. On February 28, 2015, the value of the prepaid amount to the Counterparty under the Forward Agreement balance was $79,025,918 and the unrealized gain on the Forward Agreement balance was $ 32,039,004. Liabilities (including leverage) net of other assets in the Fund totalled $16,994,377, leaving net assets of $94,070,545. (On August 31, 2014, the value of the prepaid amount to the Counterparty under the Forward Agreement was $84,064,075 and the unrealized gain on the Forward Agreement balance was $27,447,039. Liabilities net of other assets in the Fund totalled $16,846,681, leaving net assets of $94,664,433).

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.

13 DERIVATIVE CONTRANCTS

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

14 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.

15 MARKET PURCHASE PROGRAM

The Fund 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/ Series 1 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/ Series 1 Unit not exceeding the most recently calculated net asset value per Class A/ Series 1 Unit immediately prior to the date of any such purchase of Units. These purchases are made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Class A/ Series 1 Units are listed.

The Fund did not purchase any Class A/ Series 1 Units for cancellation during the six-month periods ended February 28, 2015 and 2014.

16 INCOME TAXES

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

The Fund did not have any net taxable capital losses carry forward balances as at tax year ends December 31, 2014 and 2013. The Fund had non-capital losses of $6,061,411 as of December 31, 2014 (December 31, 2013 – $6,061,411), 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
2010	572,335	2030
2011	3,403,888	2031
2012	2,085,188	2032
Total	**6,061,411**	

17 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.

Interest rate risk

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

February 28, 2015;

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	125,009,891	–	–	–	(16,450,061)	**108,559,830**
Cash and cash equivalents	–	–	–	–	236,932	**236,932**
Other assets	–	–	–	–	2,663,521	**2,663,521**
Liabilities	(16,391,129)	–	–	–	(998,609)	**(17,389,738)**
Net assets	**108,618,762**	–	–	–	**(14,548,217)**	**94,070,545**

August 31, 2014:

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	–	114,147,453	–	–	(4,872,014)	**109,275,439**
Other assets	–	–	–	–	2,153,544	**2,153,544**
Liabilities	(16,201,851)	–	–	–	(767,726)	**(16,969,577)**
Net assets	**(16,201,851)**	**114,147,453**	–	–	**(34,86,196)**	**94,459,406**

September 01, 2013:

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Non-interest bearing	Total
Investments	6,332,620	141,933,817	–	–	(4,150,921)	**144,115,516**
Cash and cash equivalents	685,505	–	–	–	115,100	**800,605**
Other assets	–	–	–	–	2,625,203	**2,625,203**
Liabilities	(21,710,831)	–	–	–	(972,314)	**(22,683,145)**
Net assets	**(14,692,706)**	**141,933,817**	–	–	**(2,382,932)**	**124,858,179**

As at February 28, 2015, had prevailing interest rates raised or lowered by 1.0%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately $968,000 and $978,000 (August 31, 2014 – $1,397,000 and $1,418,000; September 1, 2013 – $2,947,600 and $3,020,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Currency risk

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

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

As at February 28, 2015:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ (14,139,528)	$ 112,428,687	$ (97,957,921)	$ (331,238)	0.4%	$ 17,000

As at August 31, 2014:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ (14,106,786)	$ 102,726,960	$ (96,802,874)	$ (8,182,700)	(9.8%)	$ (409,000)

As at September 1, 2013:

Currency	Monetary instruments	Non-monetary instruments	Derivative Instruments	Net Exposure	% of Net Assets	Sensitivity (based on devaluation of CAD)
United States Dollar	$ (17,501,200)	$ 124,209,134	$ (139,187,776)	$ (32,479,842)	(31.1%)	$ (1,624,000)

Credit risk

The Fund is exposed to the risk that a security issuer or counterparty will be unable to pay amounts in full when due. The 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 February 28, 2015, August 31, 2014 and September 1, 2013.

The fair value of debt and debt-like securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of debt investments and unrealized gain on derivative instruments outstanding with counterparties represents the maximum credit risk exposure as at February 28, 2015, August 31, 2014 and September 1, 2013.

The tables below summarize the Fund's exposure to credit risk through its investment in the Trust as of February 28, 2015 and August 31, 2014 and September 1, 2013. Amounts shown are based on the carrying value of debt investments and the unrealized gain on derivative instruments outstanding with counterparties;

	February 28, 2015	**August 31, 2014**	**September 1, 2013**
Rating	**(% of Net Assets)**	**(% of Net Assets)**	**(% of Net Assets)**
BBB+	132.9%	120.5%	118.8%
A-1+	–	–	0.5%
Total	**132.9%**	**120.5%**	**119.3%**

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

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

Liquidity risk

Liquidity risk is the risk of not being able to meet the Fund's cash requirements in a timely manner and includes the risk of not being able to liquidate assets at reasonable prices. This risk arises mainly from the Fund's exposure to daily cash redemptions from its market purchase program which is limited to certain conditions (see note 15) and from its bank indebtedness (see note 11). The Fund is also exposed to unlimited annual anniversary redemptions on June 30 of every year (see note 5); therefore, the Fund invests the majority of its assets in investments that can be readily disposed. The Fund also achieves liquidity through its ability to pre-settle the Forward Agreement. In addition, the Fund retains sufficient cash and cash equivalent positions to meet its daily cash requirements. All liabilities (other than bank indebtedness) are due within three months.

As at February 28, 2015 **Financial liabilities**	**On demand**	**less than 3 months**	**Total**
Distributions payable	–	617,582	617,582
Interest payable	–	12,126	12,126
Accounts payable and accrued liabilities	–	320,028	320,028
Management fees payable	–	274	274
Forward fees payable		29,142	29,142
Total	–	**$ 979,152**	**$ 979,152**

As at August 31, 2014 **Financial liabilities**	**On demand**	**less than 3 months**	**Total**
Distributions payable	–	607,982	607,982
Interest payable	–	12,936	12,936
Accounts payable and accrued liabilities	–	74,124	74,124
Management fees payable	–	1,350	1,350
Forward fees payable		32,893	32,893
Total	**–**	**$ 729,285**	**$729,285**

As at September 1, 2013 **Financial liabilities**	**On demand**	**less than 3 months**	**Total**
Distributions payable	–	794,678	794,678
Interest payable	–	17,849	17,849
Accounts payable and accrued liabilities	–	57,341	57,341
Management fees payable	–	12,472	12,472
Forward fees payable		43,884	43,884
Total	–	**$ 926,224**	**$ 926,224**

Market price risk

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

Concentration risk

The Fund's sole investment is a forward agreement, which has a fair value derived from the net asset value of CS Trust ("The Trust"). The Schedule of Investment Portfolio presents the securities held by CS Trust as at February 28, 2015 and groups the securities by asset type and market segment. The following comparative summary represents the securities by asset type and market segment held by CS Trust as at February 28, 2015, August 31, 2014 and September 1, 2013:

Portfolio by Category	**February 28, 2015**	**August 31, 2014**	**September 1, 2013**
Foreign Preferred Stock (USD) / Financials	132.9%	120.5%	118.8%
Leverage	-17.5%	-17.1%	-17.4%
Other assets net of other liabilities	1.8%	1.0%	1.8%
Cash	0.3%	0.2%	0.1%
Short-term investment	0.0%	0.5%	0.0%
Foreign currency forward contracts	-17.5%	-5.1%	-3.3%
Total	**100.0%**	**100.0%**	**100.0%**

18 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

The Fund obtained exposure to the performance of the portfolio held by the Trust through the Forward Agreement (see note 12) and therefore, the following tables illustrate the classification of the Fund's and the Trust's financial instruments within the fair value hierarchy as at February 28, 2015, August 31, 2014 and September 01, 2013:

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

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

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

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

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

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

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

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

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

There was no transfer among the three levels during the six month period ended February 28, 2015 and the year ended August 31, 2014 and September 1, 2013.

19 TRANSITION TO IFRS

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

Transition Elections

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

Classification of Redeemable Units Issued by the Funds

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

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

There was no difference in the numbers reported in IFRS with the numbers reported under Canadian GAAP as of August 31, 2014, February 28, 2014 and September 1, 2013.

20 FINANCIAL INSTRUMENTS BY CATEGORY

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

	Net gains (losses)	
Net gains (losses) on financial instruments at FVTPL	**February 28, 2015**	February 28, 2014
Financial Assets and Liabilities at FVTPL:		
Held for Trading	**$ 6,069,549**	$ 4,676,867
Designated at inception	**(2,351,605)**	(1,066,635)
Total financial assets and liabilities at FVTPL	**$ 3,717,944**	$ 3,610,232

CORPORATE INFORMATION

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Robert Falconer

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Director and Chief Executive Officer

Darren Cabral
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Eric Tremblay
Director and Chairman

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Director

Manager

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