

Aston Hill Growth & Income Class

Management Report of Fund Performance

December 31, 2015

This annual management report of fund performance for Aston Hill Growth & Income Class (the "Fund") contains financial highlights but does not contain the audited annual financial statements of the Fund. You may obtain a copy of the annual financial statements, at no cost, by calling 1-800-513-3868 or by sending a request to Investor Relations, Aston Hill Asset Management Inc., 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8, or by visiting our website at www.astonhill.ca or SEDAR at www.sedar.com. Shareholders may also contact us by 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.

THE FUND

Aston Hill Growth & Income Class (the "Fund") is a class of shares of Aston Hill Corporate Funds Inc., an open-ended mutual fund corporation that is managed by Aston Hill Asset Management Inc. (the "Manager"), which is also the Manager and Portfolio Manager of the Fund's underlying fund, Aston Hill Growth & Income Fund (the "Underlying Fund"). The Fund has Series A, Series F, Series TA6 and TF6 shares. The Fund is RRSP, RRIF and TFSA eligible.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objective is to provide shareholders with income and the opportunity for growth. To achieve its objective, the Fund invests in units of the Underlying Fund, which in turn is invested in an actively managed portfolio composed primarily of equity and debt securities of issuers located in Canada and around the world.

RISKS

Risks associated with an investment in the shares of the Fund are discussed in the Fund's prospectus, which is available on the Fund's website at www.astonhill.ca or on SEDAR at www.sedar.com. There were no changes to the Fund over the year ended December 31, 2015 which materially affected the risks associated with an investment in the shares of the Fund.

RESULTS OF OPERATIONS

Distributions

For the year ended December 31, 2015, distributions were \$0.06 per Series A share (\$0.08 in 2014), \$0.06 per Series F share (\$0.08 in 2014), \$0.59 per Series TA6 share (\$0.34 in 2014) and \$0.62 per Series TF6 share (\$0.11 in 2014). Since inception, the Fund has paid total cash distributions of \$0.14 per Series A share, \$0.14 per Series F share, \$0.93 per Series TA6 share and \$0.73 per Series TF6 share.

Changes in Net Assets from Operations

For the year ended December 31, 2015, the Fund's total revenue (which represents income distribution from investments) was \$0.35 per Series A share (\$0.36 in 2014), \$0.37 per Series F share (\$0.37 in 2014), \$0.24 per Series TA6 share (\$0.20 in 2014) and \$0.26 per Series TF6 share (\$0.07 in 2014).

Total expenses for the year ended December 31, 2015 were \$0.36 per Series A share (\$0.35 in 2014), \$0.22 per Series F share (\$0.21 in 2014), \$0.24 per Series TA6 share (\$0.14 in 2014) and \$0.15 per Series TF6 share (\$0.03 in 2014).

Subscriptions and Redemptions

The Fund's shares may be subscribed or redeemed on a daily basis at a price equivalent to Net Asset Value per share, as calculated on a daily basis. For the year ended December 31, 2015, the Fund received subscriptions of 55,835 Series A shares (764,867 in 2014), 179,889 Series F shares (477,383 in 2014), 46,901 Series TA6 shares (81,653 in 2014) and 33,818 Series TF6 shares (5,500 in 2014). During the year ended December 31, 2015, 2,850 Series A shares (5,824 in 2014), 1,531 Series F shares (3,146 in 2014), nil Series TA6 shares (nil in 2014) and 418 Series TF6 shares (nil in 2014) were reinvested from distributions. For the year ended December 31, 2015, 524,247 Series A shares (252,913 in 2014), 462,890 Series F shares (191,077 in 2014), 12,528 Series TA6 shares (nil in 2014) and 8,284 Series TF6 shares (nil in 2014) were redeemed.

Net Asset Value

As at December 31, 2015, the Net Asset Value per share of the Fund was \$13.12 per Series A share (\$13.77 at December 31, 2014), \$13.75 per Series F share (\$14.29 at December 31, 2014), \$8.37 per Series TA6 share (\$9.33 at December 31, 2014) and \$8.88 per Series TF6 share (\$9.80 at December 31, 2014). The aggregate Net Asset Value of the Fund as at December 31, 2015 was \$16.7 million (\$27.5 million as at December 31, 2014), comprised of \$9.0 million for Series A (\$15.9 million at December 31, 2014), \$6.4 million for Series F (\$10.7 million at December 31, 2014), \$1.0 million for Series TA6 (\$0.8 million at December 31, 2014) and \$0.3 million for Series TF6 (\$0.05 million at December 31, 2014).

Investment Portfolio

As of December 31, 2015, the Underlying Fund's portfolio included a total of 81 securities of corporate issuers (132 at December 31, 2014). A summary of the Underlying Fund's portfolio and a list of the top 25 holdings are included in this report. Please see the Portfolio Manager's Report for information on performance and changes to the Fund's portfolio in 2015.

The Fund's portfolio recorded net losses (realized and unrealized) of \$0.72 million for the year ended December 31, 2015 (net gains of \$0.30 million in 2014).

Liquidity

To provide liquidity for shareholders, shares of the Fund may be subscribed and redeemed on a daily basis, at prices equivalent to Net Asset Value per share, as calculated on a daily basis.

RELATED PARTY TRANSACTIONS

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management Fees section below.

MANAGEMENT FEES

Aston Hill Asset Management Inc. is the Manager and Trustee of the Fund. Pursuant to the management agreement between the Fund and the Manager, the Manager is responsible for the day-to-day operations of the Fund, and in return, the Fund pays the Manager management fees. Series A/TA6 and Series F/TF6 of the Fund pay management fees of up to 2.0% and 1.0%, respectively, to the Manager for providing general management and administrative services.

Out of the management fees, the Manager is required to pay financial advisors a service fee for ongoing services they provide to investors. The service fee is calculated monthly and payable monthly, based on the total client assets invested in Series A/TA6 shares of the Fund held by each financial advisor's clients throughout the month. The annual rate of the service fee depends on the purchase option chosen by the investor. For Series A/TA6 shares purchased under the initial sales charge option, the annual rate is a maximum of 1.00% and for Series A/TA6 shares purchased under the low-load, deferred sales charge option, the annual rate is a maximum of 0.50%. The service fee for low-load, deferred sales charge units changes to the initial sales charge service fee annual rate on the third anniversary of the investment. There are no service fees on Series F/TF6 shares of the Fund.

For the year ended December 31, 2015, management fees were \$0.40 million (\$0.40 million in 2014).

Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. For the year ended December 31, 2015, administration fees amounted to \$nil (\$4,363 in 2014).

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per share.*

Net Assets per Share⁽¹⁾

Series A

For the Year/Period Ended December 31	2015	2014	2013	2012	2011 ⁽²⁾
Net Assets, beginning of year/period⁽³⁾	\$ 13.77	\$ 13.43	\$ 11.39	\$ 9.95	\$ 10.00
Increase (decrease) from operations:⁽⁴⁾					
Total revenue	0.35	0.36	0.36	0.37	0.09
Total expenses	(0.36)	(0.35)	(0.32)	(0.27)	(0.35)
Realized gain (loss) for the year/period	0.40	0.17	0.14	0.32	—
Unrealized gain (loss) for the year/period	(0.79)	(0.01)	1.92	0.95	0.26
Total increase (decrease) in Net Assets from operations	\$ (0.40)	\$ 0.17	\$ 2.10	\$ 1.37	\$ —
Distributions to shareholders:⁽³⁾					
From income	\$ —	\$ —	\$ —	\$ —	\$ —
From dividends	(0.02)	(0.01)	—	—	—
From capital gains	—	(0.07)	—	—	—
Return of capital	(0.04)	—	—	—	—
Total distributions to shareholders	\$ (0.06)	\$ (0.08)	\$ —	\$ —	\$ —
Net Assets, end of year/period⁽³⁾	\$ 13.12	\$ 13.77	\$ 13.43	\$ 11.39	\$ 9.95

Series F

For the Year/Period Ended December 31	2015	2014	2013	2012	2011 ⁽²⁾
Net Assets, beginning of year/period⁽³⁾	\$ 14.29	\$ 13.79	\$ 11.58	\$ 10.01	\$ 10.00
Increase (decrease) from operations:⁽⁴⁾					
Total revenue	0.37	0.37	0.38	0.38	0.04
Total expenses	(0.22)	(0.21)	(0.19)	(0.16)	(0.14)
Realized gain (loss) for the year/period	0.41	0.17	0.14	(0.04)	—
Unrealized gain (loss) for the year/period	(0.84)	0.10	2.04	1.36	0.12
Total increase (decrease) in Net Assets from operations	\$ (0.28)	\$ 0.43	\$ 2.37	\$ 1.54	\$ 0.02
Distributions to shareholders:⁽³⁾					
From income	\$ —	\$ —	\$ —	\$ —	\$ —
From dividends	(0.02)	(0.01)	—	—	—
From capital gains	—	(0.07)	—	—	—
Return of capital	(0.04)	—	—	—	—
Total distributions to shareholders	\$ (0.06)	\$ (0.08)	\$ —	\$ —	\$ —
Net Assets, end of year/period⁽³⁾	\$ 13.75	\$ 14.29	\$ 13.79	\$ 11.58	\$ 10.01

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ For Series A and F, period from commencement of operations on November 18, 2011 to December 31, 2011. For Series TA6, period from commencement of operations on June 18, 2014 to December 31, 2014. For Series TF6, period from commencement of operations on November 4, 2014 to December 31, 2014.

⁽³⁾ Net Assets per share and distributions per share are based on the actual number of shares outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per share is based on the weighted average number of shares outstanding over the fiscal period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. Information for periods prior to January 1, 2013 continues to be reported under Canadian GAAP.

Net Assets per Share⁽¹⁾ (continued)

Series TA6

For the Period to December 31	2015	2014 ⁽²⁾
Net Assets, beginning of period ⁽³⁾	\$ 9.33	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾		
Total revenue	0.24	0.20
Total expenses	(0.24)	(0.14)
Realized gain (loss) for the period	0.26	0.06
Unrealized gain (loss) for the period	(0.71)	(0.32)
Total increase (decrease) in Net Assets from operations	\$ (0.45)	\$ (0.20)
Distributions to shareholders: ⁽³⁾		
From income	\$ —	\$ (0.29)
From dividends	(0.25)	(0.01)
From capital gains	—	(0.04)
Return of capital	(0.34)	—
Total distributions to shareholders	\$ (0.59)	\$ (0.34)
Net Assets, end of period⁽³⁾⁽⁶⁾	\$ 8.37	\$ 9.33

Series TF6

For the Period to December 31	2015	2014 ⁽²⁾
Net Assets, beginning of period ⁽³⁾	\$ 9.80	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾		
Total revenue	0.26	0.07
Total expenses	(0.15)	(0.03)
Realized gain (loss) for the period	0.26	0.02
Unrealized gain (loss) for the period	(1.15)	(0.15)
Total increase (decrease) in Net Assets from operations	\$ (0.77)	\$ (0.10)
Distributions to shareholders: ⁽³⁾		
From income	\$ —	\$ (0.05)
From dividends	(0.26)	(0.01)
From capital gains	—	(0.05)
Return of capital	(0.36)	—
Total distributions to shareholders	\$ (0.62)	\$ (0.11)
Net Assets, end of period⁽³⁾	\$ 8.88	\$ 9.80

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ For Series A and F, period from commencement of operations on November 18, 2011 to December 31, 2011. For Series TA6, period from commencement of operations on June 18, 2014 to December 31, 2014. For Series TF6, period from commencement of operations on November 4, 2014 to December 31, 2014.

⁽³⁾ Net Assets per share and distributions per share are based on the actual number of shares outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per share is based on the weighted average number of shares outstanding over the fiscal period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. Information for periods prior to January 1, 2013 continues to be reported under Canadian GAAP.

Ratios and Supplemental Data (Based on Net Asset Value)

Series A

As at December 31	2015	2014	2013	2012	2011
Net Asset Value (in 000s)	\$ 9,026	\$ 15,885	\$ 8,533	\$ 3,406	\$ 865
Number of shares outstanding (in 000s)	688	1,153	635	299	87
Base management expense ratio ⁽¹⁾⁽⁶⁾	2.65%	2.33%	2.26%	—	—
Management expense ratio (“MER”) ⁽²⁾	2.93%	2.60%	2.55%	2.47%	9.96%
Management expense ratio before waivers and absorptions	3.03%	2.70%	3.14%	4.19%	35.57%
Trading expense ratio ⁽³⁾	0.26%	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	12.41%	19.22%	19.01%	34.93%	—
Net Asset Value per share ⁽⁵⁾	\$ 13.12	\$ 13.77	\$ 13.43	\$ 11.39	\$ 9.95

Series F

As at December 31	2015	2014	2013	2012	2011
Net Asset Value (in 000s)	\$ 6,412	\$ 10,682	\$ 6,318	\$ 2,206	\$ 212
Number of shares outstanding (in 000s)	466	748	458	191	21
Base management expense ratio ⁽¹⁾⁽⁶⁾	1.74%	1.30%	1.33%	—	—
Management expense ratio (“MER”) ⁽²⁾	1.88%	1.44%	1.49%	1.44%	8.36%
Management expense ratio before waivers and absorptions	1.91%	1.43%	1.96%	2.93%	63.86%
Trading expense ratio ⁽³⁾	0.26%	—	—	—	—
Portfolio turnover rate ⁽⁴⁾	12.41%	19.22%	19.01%	34.93%	—
Net Asset Value per share ⁽⁵⁾	\$ 13.75	\$ 14.29	\$ 13.79	\$ 11.58	\$ 10.01

Series TA6

As at December 31	2015	2014
Net Asset Value (in 000s)	\$ 971	\$ 762
Number of shares outstanding (in 000s)	116	82
Base management expense ratio ⁽¹⁾	2.60%	2.47%
Management expense ratio (“MER”) ⁽²⁾	2.93%	2.77%
Management expense ratio before waivers and absorptions	3.13%	2.77%
Trading expense ratio ⁽³⁾	0.26%	—
Portfolio turnover rate ⁽⁴⁾	12.41%	19.22%
Net Asset Value per share	\$ 8.37	\$ 9.33

Series TF6

As at December 31	2015	2014
Net Asset Value (in 000s)	\$ 279	\$ 54
Number of shares outstanding (in 000s)	31	6
Base management expense ratio ⁽¹⁾	1.67%	1.54%
Management expense ratio (“MER”) ⁽²⁾	1.88%	1.74%
Management expense ratio before waivers and absorptions	2.05%	1.74%
Trading expense ratio ⁽³⁾	0.26%	—
Portfolio turnover rate ⁽⁴⁾	12.41%	19.22%
Net Asset Value per share	\$ 8.88	\$ 9.80

⁽¹⁾ A separate base management expense ratio is presented to exclude the HST.

⁽²⁾ MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of the average Net Asset Value of the period. Please see the “Expense Ratio” section following this table for further discussion of the calculation.

⁽³⁾ The trading expense ratio represents total commissions expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

⁽⁴⁾ The Fund’s portfolio turnover rate indicates how actively the Fund’s Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards (“IFRS”) commencing January 1, 2014. Information for periods prior to January 1, 2013 continues to be reported under Canadian GAAP.

⁽⁶⁾ Information needed to calculate the base management expense ratio prior to 2013 is not available.

Expense Ratio

For the year ended December 31, 2015, the base management expense ratio, which excludes HST, was 2.65% for Series A (2.33% as at December 31, 2014), 1.74% for Series F (1.30% as at December 31, 2014), 2.60% for Series TA6 (2.47% as at December 31, 2014) and 1.67% for Series TF6 (1.54% as at December 31, 2014).

The MER of the Fund for the year ended December 31, 2015 was 2.93% for Series A (2.60% as at December 31, 2014), 1.88% for Series F (1.44% as at December 31, 2014), 2.93% for Series TA6 (2.77% as at December 31, 2014) and 1.88% for Series TF6 (1.74% as at December 31, 2014). The MER before waivers and absorptions for the year ended December 31, 2015 was 3.03% for Series A (2.70% as at December 31, 2014), 1.91% for Series F (1.43% as at December 31, 2014), 3.13% for Series TA6 (2.77% as at December 31, 2014) and 2.05% for Series TF6 (1.74% as at December 31, 2014).

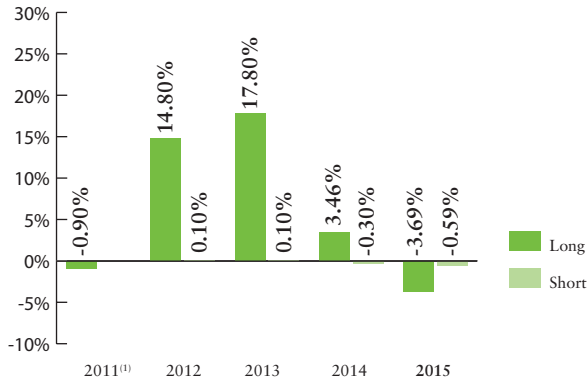
PAST PERFORMANCE

Year-by-Year Returns

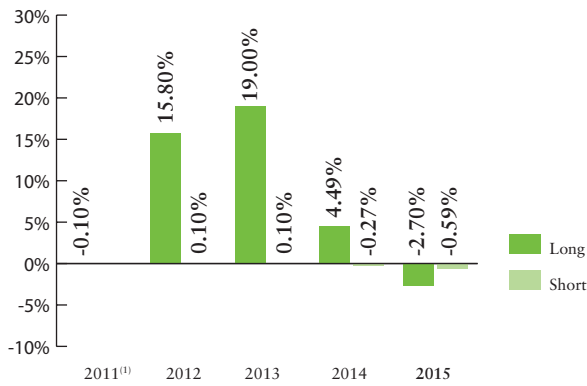
The following charts show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per share and assumes that distributions made by the Fund on its shares in the periods shown were reinvested at Net Asset Value per share in additional shares of the Fund.

The bar charts show the Fund's return in each year/period since inception to December 31, 2015. The chart shows, in percentage terms, how an investment held on the first day of each fiscal period would have changed by the last day of the fiscal period.

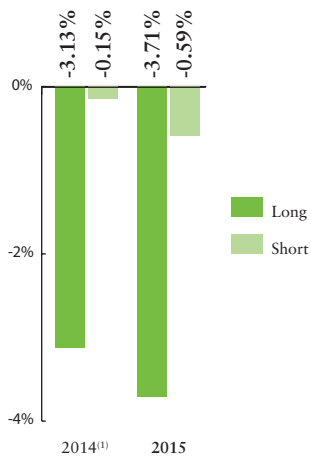
Series A



Series F



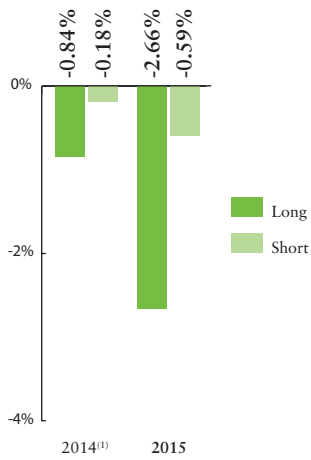
Series TA6



⁽¹⁾ For Series A and F, period from commencement of operations on November 18, 2011 to December 31, 2011. For Series TA6, period from commencement of operations on June 18, 2014 to December 31, 2014. For Series TF6, period from commencement of operations on November 4, 2014 to December 31, 2014.

Year-by-Year Returns (continued)

Series TF6



⁽¹⁾ For Series A and F, period from commencement of operations on November 18, 2011 to December 31, 2011. For Series TA6, period from commencement of operations on June 18, 2014 to December 31, 2014. For Series TF6, period from commencement of operations on November 4, 2014 to December 31, 2014.

Annual Compound Returns

The following table shows the Fund's compound return per series for each period indicated compared with the Blended Benchmark. The Blended Benchmark is comprised of one-third of the S&P/TSX Composite Index, one-third of the S&P 500 Index and one-third of the Merrill Lynch US High Yield Master II Index. The Blended Benchmark and S&P/TSX Composite Index are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

	1 Year	3 Years	% Since Inception
Aston Hill Growth & Income Class – Series A	(4.28%)	5.20%	6.99%
Blended Benchmark	(7.08%)	5.54%	6.38%
Aston Hill Growth & Income Class – Series F	(3.29%)	6.27%	8.21%
Blended Benchmark	(7.08%)	5.54%	6.38%
Aston Hill Growth & Income Class – Series TA6	(4.30%)		(4.91%)
Blended Benchmark	(7.08%)		(5.20%)
Aston Hill Growth & Income Class – Series TF6	(3.25%)		(3.65%)
Blended Benchmark	(7.08%)		(4.49%)

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2015

Portfolio Composition	% of NAV
Mutual Funds	99.9%
Cash	0.3%
Net Other Assets (Liabilities)	(0.1%)
Total	100.0%
Holdings	% of NAV
Long Positions	
Aston Hill Growth & Income Fund, Series I	99.9%
Cash	0.3%
Total % of Long Positions	100.1%
Total Net asset value (NAV):	\$ 16,687,994

Summary of the Underlying Fund as a Percentage of the Net Asset Value of Aston Hill Growth & Income Class

As at December 31, 2015

Aston Hill Growth & Income Fund Portfolio Summary

Sector Allocation	% of NAV
Financials	19.2%
Foreign Corporate Bonds	18.2%
Exchange-Traded Funds	9.6%
Information Technology	9.2%
Consumer Discretionary	7.9%
Consumer Staples	5.5%
Canadian Corporate Bonds	5.5%
Industrials	4.2%
Energy	2.5%
Utilities	1.9%
Materials	1.6%
Telecommunication	1.0%
Health Care	2.3%
Foreign Currency Forward Contracts	(2.0%)
Option Contracts	(0.1%)
Cash	7.2%
Net Other Assets (Liabilities)	6.3%
Total	100.0%

SUMMARY OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2015

Top 25 Holdings

Security Name	Interest Rate	Maturity Date	% of NAV
iShares iBoxx \$ Investment Grade Corporate Bond ETF			8.1%
Cash			7.2%
Citigroup Inc.			3.0%
Walt Disney Co.			2.8%
Mastercard Inc.			2.6%
Cott Corp.			2.5%
Greektown Holdings LLC	8.875%	Mar/15/2019	2.3%
Brookfield Property Partners LP			2.3%
CVS Health Corp.			2.2%
Synchrony Financial			2.1%
Cisco Systems Inc.			2.1%
Hunt Cos Inc.	9.625%	Mar/01/2021	2.0%
Kissner Milling Company Ltd.	7.250%	Jun/01/2019	1.9%
Home Depot Inc.			1.9%
Carnival Corp.			1.8%
NXP Semiconductors NV			1.8%
VistaJet Malta Finance PLC	7.750%	Jun/01/2020	1.7%
XPO Logistics Inc.	6.500%	Jun/15/2022	1.7%
CEC Entertainment Inc.	8.000%	Feb/15/2022	1.7%
Canadian Apartment Properties REIT			1.7%
Builders FirstSource Inc.	10.750%	Aug/15/2023	1.7%
Alimentation Couche-Tard Inc.			1.7%
Ethoca Solutions Inc.			1.6%
Lockheed Martin Corp.			1.6%
Dow Chemical Co.			1.6%
Total % of Long Positions			61.6%
Total			\$ 226,270,737

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end.

PORTFOLIO MANAGER

Aston Hill Asset Management Inc.

Aston Hill Asset Management Inc. is a wholly owned subsidiary of Aston Hill Financial Inc., a diversified asset management company with a suite of retail mutual funds, closed end funds, private equity funds, hedge funds and segregated institutional funds, and with over \$2.67 billion in assets under management as at December 31, 2015. Aston Hill has offices in Toronto and Halifax.



PORTFOLIO MANAGER'S REPORT FOR THE UNDERLYING FUND

2015 – Year in Review

The Aston Hill Growth & Income Fund, whilst performing reasonably well in the first 6 months of the year, struggled in the back half. The year-to-date total return of -4.3% outperformed the market but underperformed the portfolio managers' expectations. Some of the biggest challenges during the year that the portfolio managers had to navigate included continuing declines in energy markets, equity market volatility, high yield credit spreads widening out significantly, and unusual fluctuations in the foreign exchange markets. A summary of the Fund during the year includes:

- Underweight energy exposure for most of the year, although arguably the Fund should have been zero weight for the whole year.
- Reduced high yield bond exposure starting as early as August. Brought exposure down from 35% earlier in the year to approximately 20% by end of the year.
- Introduced investment grade bond exposure to have a more balanced approach to the fixed income side of the portfolio.
- Continued to overweight equity exposure over that of credit.
- Overall portfolio exposure to the US was greater than that in Canada, as we expected a continued recovery in the US.
- Reduced the number of overall positions in the portfolio to a more manageable and concentrated number of securities.
- Over-weighted certain industry groups, such as financials, technology and consumer sectors.
- Continued focus on dividend-paying equities which show a propensity to grow their dividends.
- Performance of the fund was negatively impacted by high yield credit spreads widening out to a greater degree than expected.

2016 – Outlook and Positioning

Given the volatility experienced in 2015 and the negative investor sentiment towards risk assets starting in 2016, one has to ask the question whether we are heading into a recession. The answer is not an easy one to definitively say “yes or no” – and is of course fraught with doubt and numerous contradictory arguments. That being said, however, the portfolio managers, are of the opinion that the economy is not heading into a recession in 2016. The economy is in the middle of a very long (and slow) economic expansion that should produce some volatile returns. Remember, many of the drivers of the bull market are coming to an end but this does not mean that the market can't continue going up. The new reality that we all have to get used to is more volatility – as witnessed really for the first time in a sustained manner in 2016. The business cycle is advancing: job growth is strong, wage growth is appearing, labor's share of GDP is increasing, and government spending is contributing to growth. On that last point, the US Federal budget deal passed into law prior to Christmas 2015 does not appear to be valued appropriately by the market. Some estimates have it adding significantly to GDP – and if the case would take the likelihood of a recession off the table. The bull market is maturing and as investors we have to recognize that gains will slow down (as they did in 2015).

In 2016 equities will outpace credit, but make no mistake about it: volatility will persist. Low inflation and (let's not forget) still easy monetary policy should allow equities to improve further, while credit will be challenged by higher yields and rising defaults. Investors should be paying attention to dividends and focus on those companies that are paying dividend yields in excess of government bond yields. By way of example, on Dec 29, 2015 the US 10 year Treasury yield was 2.32% and there were 210 stocks in the S&P 500 that had a dividend yield higher. At the end of the first week of 2016, the government bond yield compressed to 2.15% and there were 257 stocks with higher dividend yields.

FORWARD-LOOKING STATEMENTS

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

CORPORATE INFORMATION

Independent Review Committee

John Crow
Chairman

C. Scott Browning

Robert Falconer

Joseph H. Wright

Directors of Aston Hill Corporate Funds Inc.

Derek Slemko

C. Scott Browning

Larry Guy

Directors and Senior Officers of the Manager

James Werry
Director & Chief Executive Officer
(effective February 20, 2016)

Ben Cheng
Chief Investment Officer

Derek Slemko
Director, President and
Chief Operating Officer

Kal Zakarneh
Director and Chief Financial Officer

Portfolio Management

Darren Cabral
Vice President and Portfolio Manager

Vivian Lo
Vice President and Portfolio Manager

John Kim
Portfolio Manager

Barry Morrison
Portfolio Manager

Alexander (Sandy) Liang
Portfolio Manager and President
AHF Capital Partners Inc.

Manager and Trustee

Aston Hill Asset Management Inc.

Transfer Agent

RBC Investor and Treasury Services

Custodian

RBC Investor and Treasury Services

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