

## 2016 ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

### Aston Hill Millennium Fund

#### Management Report of Fund Performance

December 31, 2016

This annual management report of fund performance for Aston Hill Millennium Fund (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, LOGiQ Asset Management Ltd. (formerly "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.logiqasset.com](http://www.logiqasset.com) or SEDAR at [www.sedar.com](http://www.sedar.com). Unitholders 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 Millennium Fund is a mutual fund that is managed by LOGiQ Asset Management Ltd. (formerly "Aston Hill Asset Management Inc.") (the "Manager"), and has Series A, F and Series I units outstanding. The Fund's portfolio is actively managed by the Manager. The Fund is RRSP, RRIF and TFSA eligible.

The Fund commenced operations on September 17, 2015, when Series A, F and I units were introduced. It was established as a liquid alternative mutual fund, providing investors with non-traditional investment opportunities.

On December 8, 2016, Aston Hill Asset Management Inc., as part of Aston Hill Financial Inc. ("Aston Hill") and together with Front Street Capital 2004 ("Front Street") and Tuscarora Capital Inc. ("TCI"), an entity under common control with Front Street, completed a previously announced transaction whereby Aston Hill would acquire all of the equity interests in the Front Street and TCI, and the companies would combine their respective operations. As part of the transaction, Aston Hill also changed its name to LOGiQ Asset Management Inc. and consequently Aston Hill Asset Management Inc. changed its name to LOGiQ Asset Management Ltd.

#### INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objective is to achieve the highest possible return that is consistent with a conservative fundamental investment philosophy through investments primarily in a balanced and diversified portfolio of Canadian income securities. To achieve its investment objective, the Fund intends to invest mainly in Canadian fixed income securities, income trusts, and common shares with varying exposures to these areas depending on their relative attractiveness. The Manager may use derivatives such as options, futures, forward contracts, swaps, and other similar instruments, in a manner considered appropriate to achieving the Fund's investment objectives.

#### RISKS

Risks associated with an investment in the units of the Fund are discussed in the Fund's prospectus, which is available on the Fund's website at [www.logiqasset.com](http://www.logiqasset.com) or on SEDAR at [www.sedar.com](http://www.sedar.com). There were no changes to the Fund in the period ended December 31, 2016 which materially affected the risks associated with an investment in the units of the Fund.

## RESULTS OF OPERATIONS

### PORTFOLIO MANAGER'S REPORT

#### 2016 – Year in Review

The Aston Hill Millennium Fund was created to provide clients with a high level of mainly Canadian Dividend Income that could grow in time. We invest the assets in the Fund in companies that are well managed, financially strong and can grow earnings and dividends in difficult and changing times. As at December 31, 2016, the average yield of the equities in the fund was 4.71%. This compares quite favorably to the average yield of 10 Year Canada bonds at 1.7% and all bonds in Canada at 2.1%.

In what can only be categorized as a wild and whacky year that saw Brexit, shocking US election results, oil crashing, Canadian dollar hitting lows, oil recovering (somewhat) and small interest rate hikes in United States the Aston Hill Millennium Fund performed very well. Equity income stocks are often unfairly compared to as "bond proxies", 2016 showed that the portfolio can have positive returns (+20%!) when interest rates moved higher. The fund ended the year overweight REITS (small to midcap REITS that can grow) and Utilities (clean energy producers) and underweight financials and energy.

#### 2017 – Outlook

As we look into 2017 and through all the presidential twitter noise we see:

- U.S. GDP of +2.5%
- U.S. Fed raising short term rates above the PCE inflation of 1.4%
- Stronger US dollar
- Real Long Term Mortgage rates of +2.7%
- Potential volatility in Europe with more populist election votes (future of the European Union?)
- OPEC continuing Oil production cuts until the IPO of Saudi Arabia's National Oil Company.
- President Trump will be the wild card – there are many "what if" scenarios with the new President.

We head into 2017 cautiously optimistic about year. The Fund will continue to generate tax efficient Canadian Dividend Income and aim for plus 5% Distribution and plus 2% Growth.

#### 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.

#### Distributions

Distributions paid in the year ended December 31, 2016 were \$0.50 per Series A, F and I units (Distributions paid in the year ended December 31, 2015 were \$0.13 per Series A, and I units).

Distributions since inception were \$0.63 per Series A, F and I units.

#### Subscriptions and Reinvestment

The Fund's units may be subscribed and reinvested on a daily basis at a price equivalent to Net Asset Value per unit, as calculated on a daily basis. For the period ended December 31, 2016, the Fund received subscriptions of 52,318 Series A units, 1,366 Series F units and nil for Series I units. Also during the period ended December 31, 2016, 21,817 units were reinvested for Series A, 43 units were reinvested for Series F and 71,274 units were reinvested for Series I (For the period ended December 31, 2015, the Fund received subscriptions of 505,542 Series A units, and 1,405,606 Series I units. Also during the period ended December 31, 2015, 6,260 units were reinvested for Series A, 11 units were reinvested, and 18,161 units were reinvested for Series I).

#### Redemptions

The Fund's units are redeemable on a daily basis at a redemption price equivalent to Net Asset Value per unit, as calculated on a daily basis. For the period ended December 31, 2016, 200,711 Series A units, nil Series F units and 26,460 Series I units were redeemed (For the period ended December 31, 2015, 10,196 Series A units, 2,511 Series F units and 15,613 Series I units were redeemed).

### RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE

The Independent Review Committee of the Fund tabled no special reports and made no extraordinary material recommendations to management of the Fund during the year ended December 31, 2016.

### **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.

During the year ended December 31, 2016, IRC fees amounted to \$1,314 (\$275 during the year ended December 31, 2015).

## **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**

LOGIQ Asset Management Ltd. (formerly "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 management fees to the Manager. The Fund pays the Manager Management fees of up to 2.00% and 1.00% per annum, respectively, of the Net Asset Value of Series A/Series UA and Series F/Series UF units, calculated daily and paid monthly in arrears, plus applicable taxes. No management fees are charged to the Fund for Series I units. Instead, each investor negotiates a separate fee, which is payable directly to the Manager.

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 and Series UA units 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 units purchased under the initial sales charge option, the annual rate is a maximum of 1.00%, and for Series A units 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. For Series UA units, the annual rate is a maximum of 1.00%. The Manager may change or cancel service fees at any time. There are no service fees on Series F and Series UF units of the Fund.

For the year ended December 31, 2016, management fees amounted to \$98,053 (For the period from September 17, 2015 to December 31, 2015, management fees amounted to \$28,015).

### **Administration Fees**

The Manager allocates back to the Fund a portion of the cost of individuals who have spent time working on the operation and oversight of the Fund. For the year ended December 31, 2016, administration fees amounted to \$14,176 (For the period from September 17, 2015 to December 31, 2015, administration fees amounted to \$6,387).

## 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 unit.*

### Net Assets per Unit<sup>(1)</sup>

#### Series A

For the Year/Period Ended December 31	2016	2015 <sup>(2)</sup>
<b>Net Assets, beginning of year<sup>(3)</sup></b>	<b>\$ 9.35</b>	<b>\$ 10.00</b>
<b>Increase (decrease) from operations:<sup>(4)</sup></b>		
Total revenue	0.42	0.14
Total expenses	(0.29)	(0.10)
Realized gain (loss) for the year	(0.48)	0.01
Unrealized gain (loss) for the year	2.16	(0.68)
<b>Total increase (decrease) in Net Assets from operations</b>	<b>\$ 1.81</b>	<b>\$ (0.63)</b>
<b>Distributions to unitholders:<sup>(3)</sup></b>		
From income (excluding dividends)	(0.29)	(0.13)
From dividends	–	–
Return of capital	(0.21)	–
Capital gain	–	–
<b>Total distributions to unitholders</b>	<b>\$ (0.50)</b>	<b>\$ (0.13)</b>
<b>Net Assets, end of year<sup>(3)</sup></b>	<b>\$ 10.70</b>	<b>\$ 9.35</b>

#### Series F

For the Year/Period Ended December 31	2016 <sup>(2)</sup>
<b>Net Assets, beginning of year/period<sup>(3)</sup></b>	<b>\$ 10.00</b>
<b>Increase (decrease) from operations:<sup>(4)</sup></b>	
Total revenue	0.30
Total expenses	(0.16)
Realized gain (loss) for the year/period	0.12
Unrealized gain (loss) for the year/period	1.35
<b>Total increase (decrease) in Net Assets from operations</b>	<b>\$ 1.61</b>
<b>Distributions to unitholders:<sup>(3)</sup></b>	
From income (excluding dividends)	(0.29)
From dividends	–
Return of capital	(0.21)
Capital gain	–
<b>Total distributions to unitholders</b>	<b>\$ (0.50)</b>
<b>Net Assets, end of year/period<sup>(3)</sup></b>	<b>\$ 11.28</b>

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

<sup>(2)</sup> For Series A, period from commencement of operations on September 21, 2015 to December 31, 2015. For Series F, period from commencement of operations on April 27, 2016 to December 31, 2016. For Series I, period from commencement of operations on September 21, 2015 to December 31, 2015.

<sup>(3)</sup> Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

<sup>(4)</sup> The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

**Net Assets per Unit<sup>(1)</sup>** (continued)**Series I**

For the Year/Period Ended December 31	2016	2015 <sup>(2)</sup>
<b>Net Assets, beginning of year/period<sup>(3)</sup></b>	<b>\$ 9.39</b>	<b>\$ 10.00</b>
<b>Increase (decrease) from operations:<sup>(4)</sup></b>		
Total revenue	0.43	0.14
Total expenses	(0.10)	(0.03)
Realized gain (loss) for the year/period	(0.35)	0.01
Unrealized gain (loss) for the year/period	2.11	(0.86)
<b>Total increase (decrease) in Net Assets from operations</b>	<b>\$ 2.09</b>	<b>\$ (0.74)</b>
<b>Distributions to unitholders:<sup>(3)</sup></b>		
From income (excluding dividends)	(0.29)	(0.13)
From dividends	–	–
Return of capital	(0.21)	–
Capital gain	–	–
<b>Total distributions to unitholders</b>	<b>\$ (0.50)</b>	<b>\$ (0.13)</b>
<b>Net Assets, end of year/period<sup>(3)</sup></b>	<b>\$ 10.97</b>	<b>\$ 9.39</b>

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

<sup>(2)</sup> For Series A, period from commencement of operations on September 21, 2015 to December 31, 2015. For Series F, period from commencement of operations on April 27, 2016 to December 31, 2016. For Series I, period from commencement of operations on September 21, 2015 to December 31, 2015.

<sup>(3)</sup> Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

<sup>(4)</sup> The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

**Ratios and Supplemental Data (Based on Net Asset Value)****Series A**

As at December 31	2016	2015
Net Asset Value (in 000s)	\$ 4,014	\$ 4,689
Number of units outstanding (in 000s)	375	502
Base management expense ratio <sup>(1)</sup>	2.30%	2.30%
Management expense ratio ("MER") <sup>(2)</sup>	2.64%	2.60%
Management expense ratio before waivers and absorptions	3.00%	3.44%
Trading expense ratio <sup>(3)</sup>	0.16%	0.61%
Portfolio turnover rate <sup>(4)</sup>	54.41%	9.38%
Net Asset Value per unit	\$ 10.70	\$ 9.35

**Series F**

As at December 31	2016
Net Asset Value (in 000s)	\$ 16
Number of units outstanding (in 000s)	1
Base management expense ratio <sup>(1)</sup>	1.62%
Management expense ratio ("MER") <sup>(2)</sup>	1.82%
Management expense ratio before waivers and absorptions	1.82%
Trading expense ratio <sup>(3)</sup>	0.16%
Portfolio turnover rate <sup>(4)</sup>	54.41%
Net Asset Value per unit	\$ 11.28

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

<sup>(2)</sup> 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.

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

<sup>(4)</sup> 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.

**Ratios and Supplemental Data (Based on Net Asset Value) (continued)****Series I**

As at December 31	<b>2016</b>		2015	
Net Asset Value (in 000s)	\$	<b>15,945</b>	\$	13,228
Number of units outstanding (in 000s)		<b>1,453</b>		1,408
Base management expense ratio <sup>(1)</sup>		<b>0.61%</b>		0.70%
Management expense ratio ("MER") <sup>(2)</sup>		<b>0.68%</b>		0.79%
Management expense ratio before waivers and absorptions		<b>0.71%</b>		1.17%
Trading expense ratio <sup>(3)</sup>		<b>0.16%</b>		0.61%
Portfolio turnover rate <sup>(4)</sup>		<b>54.41%</b>		9.38%
Net Asset Value per unit	\$	<b>10.97</b>	\$	9.39

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

<sup>(2)</sup> 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.

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

<sup>(4)</sup> 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.

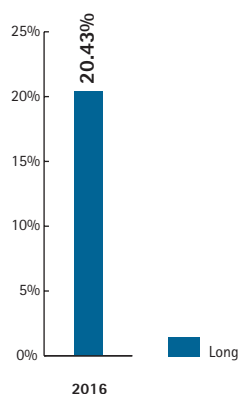
## PAST PERFORMANCE

### Year-by-Year Returns

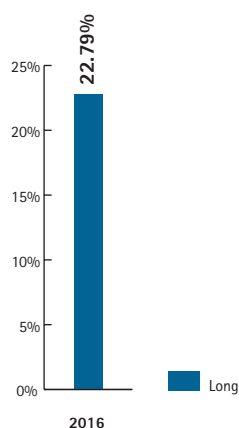
The following charts show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund on its units in the periods shown were reinvested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

The bar charts show the Fund's return in each year/period since inception to December 31, 2016. 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 I



### 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 calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses. The Blended Benchmark is comprised 10% of the BofA Merrill Lynch High Yield Cash Pay Index, 30% of the FTSE TMX Canada Universe Bond Index, 10% of the S&P/TSX Capped REIT Index and 50% of the S&P/TSX Composite Dividend Index.

	1 Year	% Since Inception
Aston Hill Millennium Fund – Series A	20.43%	10.82%
Blended Benchmark	15.7%	12.4%
Aston Hill Millennium Fund – Series I	22.79%	12.82%
Blended Benchmark	15.7%	12.3%

**SUMMARY OF INVESTMENT PORTFOLIO**<sup>(1)</sup>

As at December 31, 2016

Sector Allocation	% of NAV
Real Estate	22.4%
Utilities	18.0%
Financials	12.3%
Energy	9.1%
Industrials	7.5%
Short-term Investments	7.5%
Telecommunication Services	6.9%
Consumer Discretionary	6.4%
Consumer Staples	5.7%
Health Care	5.1%
Cash	0.3%
Net Other Assets (Liabilities)	– 1.2%
<b>Total</b>	<b>100.0%</b>

**Top 25 Holdings**

Security Name	Interest rate	Maturity date	% of NAV
Northland Power Inc.			8.8%
Canadian Treasury Bill	0.500%	March 9, 2017	7.5%
Liquor Stores N.A. Ltd.			5.7%
Medical Facilities Corp.			5.1%
Brookfield Renewable Energy Partners LP			5.0%
Pure Multi-Family Real Estate Investment Trust LP			4.0%
American Hotel Income Properties Real Estate Investment Trust LP			3.9%
TELUS Corp.			3.8%
Park Lawn Corp.			3.6%
Veresen Inc.			3.6%
Mainstreet Health Investments Inc.			3.3%
StorageVault Canada Inc.			3.0%
Canadian National Railway Co.			3.0%
Cineplex Inc.			2.8%
Bank of Montreal			2.7%
Toronto-Dominion Bank			2.5%
Bank of Nova Scotia			2.5%
Royal Bank of Canada			2.5%
Brookfield Infrastructure Partners LP			2.3%
WPT Industrial Real Estate Investment Trust			2.3%
Canadian Imperial Bank of Commerce			2.2%
Pembina Pipeline Corp.			1.9%
Pattern Energy Group Inc.			1.9%
Rogers Communications Inc.			1.8%
Plaza Retail Real Estate Investment Trust			1.8%
<b>Total %</b>			<b>87.5%</b>
<b>Total Net asset value (NAV):</b>			<b>\$ 19,974,406</b>

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.



## CORPORATE INFORMATION

### Independent Review Committee

**John Crow**  
Chairman

**C. Scott Browning**

**Robert Falconer**

**Joseph H. Wright**

### Directors and Senior Officers of the Manager

**Joe Canavan**  
Director and Chief Executive Officer

**Mary Anne Palangio**  
Director and President

**Kal Zakarneh**  
Director and Chief Financial Officer

### Manager and Portfolio Manager

LOGiQ Asset Management Ltd.

### Transfer Agent

RBC Investor and Treasury Services

### Custodian

RBC Investor and Treasury Services

### Auditor

PricewaterhouseCoopers LLP

### Website

[www.logiqasset.com](http://www.logiqasset.com)