

Aston Hill Millennium Fund

Management Report of Fund Performance

August 26, 2016

This semi-annual management report of fund performance for Aston Hill Millennium Fund (the “Fund”) contains financial highlights but does not contain the unaudited semi-annual financial statements of the Fund. You may obtain a copy of the semi-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. 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 Aston Hill Asset Management Inc. (the “Manager”), and has Series A, Series 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.

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.astonhill.ca or on SEDAR at www.sedar.com. There were no changes to the Fund in the six-month period ended June 30, 2016 which materially affected the risks associated with an investment in the units of the Fund.

RESULTS OF OPERATION

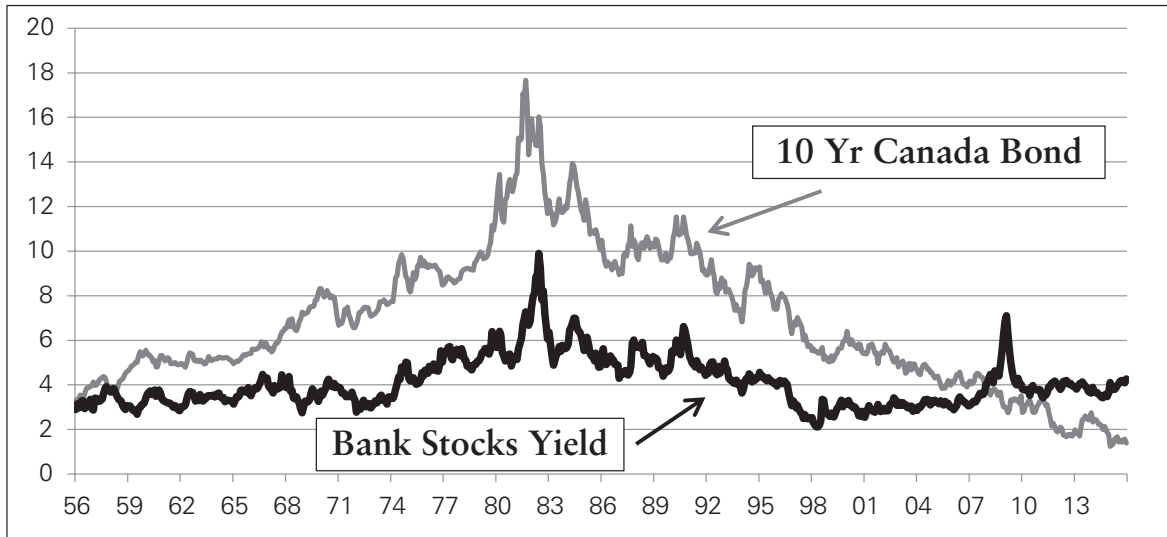
Commencement of operations of the Fund was September 17, 2015, so there was no comparative prior period for any Series of the Fund for the period ended June 30, 2016.

PORTFOLIO MANAGER’S REPORT

2016 – H1 in Review

This Fund was launched in September 2015, to provide clients with a high level of mainly Canadian dividend income that could potentially grow in time. We sought to invest the assets in the Fund in companies which were well managed, were financially strong, could grow earnings and dividends even in these difficult and challenging times. As at June 30, 2016, the average yield of the equities in the Fund was 4.81%. This compares quite favourably to the average yield of 10 Year Canada bonds at 1.05% and all bonds in Canada at 1.77%.

The following chart highlights the opportunity in Equity Income.



The majority of global equity markets were performing well in the first half of 2016 and the buzz around the Brexit vote seemed like something for the talking heads on TV to ramble on about. The consensus was that Britain would stay in the EU and most markets were pricing that in. It was a shock to many and markets sold off hard on June 24th when the vote revealed that Britain would exit the EU. The repercussions sent gold soaring, oil and base metals sold off, the US dollar rallied and global treasury yields sunk. Much of that shock has worn off and most markets have returned to Pre-Brexit levels – but treasury yields have stayed low and questions of global growth and potential fall out of Britain’s decision remain. These macro concerns and low treasury yields have been great for the equity income asset class as investors seek yield from stable dividend paying companies.

2016 – Outlook

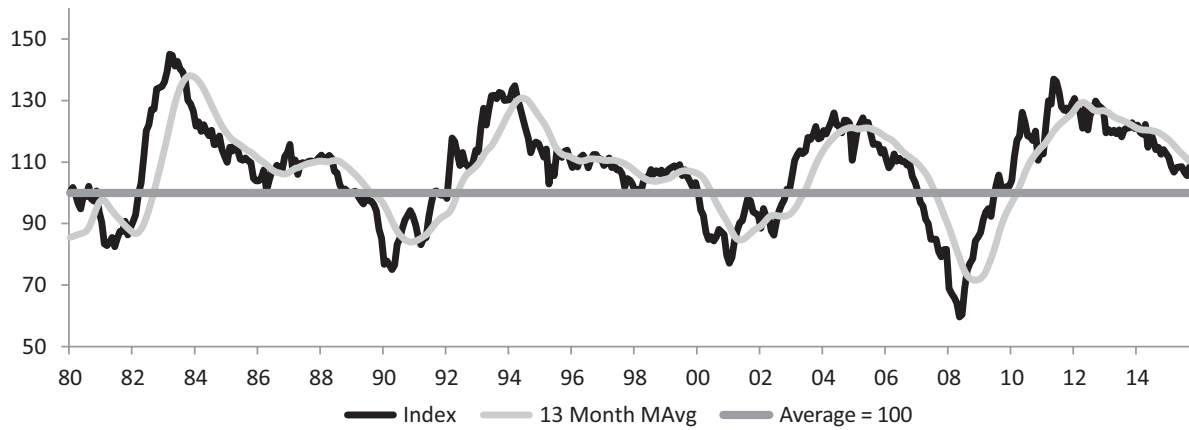
We believe that North American markets will continue with limited growth in 2016 and beyond:

- U.S. GDP Growth averaging around 1% to 2%
- U.S. Inflation averaging +2%
- U.S. Short Term Interest Rates moving towards the Inflation Rate
- Canada GDP Growth resuming in the 2nd half of 2016
- Canada Inflation averaging +2%
- Canada Short Term Interest Rates staying below the Inflation Rate
- Canadian Dollar short term, moving with the direction of oil, longer term recovering with the Economy

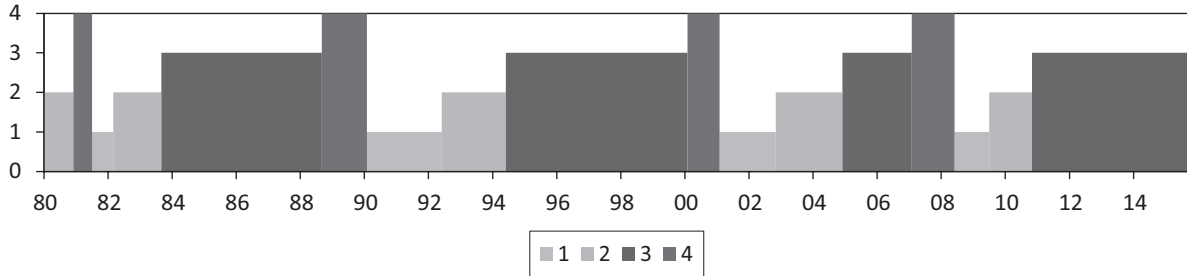
Presented below is the current reading for our Economic Model and Cycle Phase

- The U.S. economy is still in an expansion mode with no signs of a slowdown
- The U.S. Stock Market is in the 3rd Phase – typically generates 83% of Total Cycle returns

AHIP Economic Model



Cycle Phase



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

For the Six-Month Period ended June 30, 2016, distributions were \$0.25 per Series A, \$0.08 per Series F and \$0.25 per Series 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 six-month period ended June 30, 2016, the Fund received subscriptions of 43,215 Series A units, 1,367 Series F units and nil Series I units. Also during the six-month period ended June 30, 2016, 12,792 units were reinvested for Series A, 11 units were reinvested for Series F and 37,541 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 six-month period ended June 30, 2016, 151,042 Series A units, nil Series F units and 12,755 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 six-month period ended June 30, 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 six-month period ended June 30, 2016, IRC fees amounted to \$594.

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 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. 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 six-month period ended June 30, 2016, management fees amounted to \$51,913.

Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters and overhead expenses 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 unitholder reporting, cost management, oversight and any other operations matter.

For the six-month period ended June 30, 2016, administration fees amounted to \$9,672.

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⁽¹⁾

Series A

For the Year/Period Ended	June 30, 2016 ⁽³⁾	December 31, 2015 ⁽²⁾
Net Assets, beginning of year/period ⁽⁴⁾	\$ 9.35	\$ 10.00
Increase (decrease) from operations: ⁽⁵⁾		
Total revenue	0.21	0.14
Total expenses	(0.14)	(0.10)
Realized gain (loss) for the year/period	(0.67)	0.01
Unrealized gain (loss) for the year/period	1.37	(0.68)
Total increase (decrease) in Net Assets from operations	\$ 0.77	\$ (0.63)
Distributions to unitholders: ⁽⁴⁾		
From income (excluding dividends)	(0.25)	(0.13)
From dividends	—	—
Return of capital	—	—
Capital gain	—	—
Total distributions to unitholders	\$ (0.25)	\$ (0.13)
Net Assets, end of year/period⁽⁴⁾	\$ 9.90	\$ 9.35

Series F

For the Year/Period Ended	June 30, 2016 ⁽³⁾	December 31, 2015 ⁽²⁾
Net Assets, beginning of year/period ⁽⁴⁾	\$ 10.00	\$ 10.00
Increase (decrease) from operations: ⁽⁵⁾		
Total revenue	0.08	0.08
Total expenses	(0.05)	0.04
Realized gain (loss) for the year/period	(0.21)	0.01
Unrealized gain (loss) for the year/period	0.63	(0.14)
Total increase (decrease) in Net Assets from operations	\$ 0.45	\$ (0.01)
Distributions to unitholders: ⁽⁴⁾		
From income (excluding dividends)	(0.08)	(0.13)
From dividends	—	—
Return of capital	—	—
Capital gain	—	—
Total distributions to unitholders	\$ (0.25)	\$ (0.13)
Net Assets, end of year/period⁽⁴⁾	\$ 10.36	\$ —

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

⁽²⁾ 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 September 18, 2015 to December 31, 2015. For Series I, period from commencement of operations on September 17, 2015 to December 31, 2015.

⁽³⁾ Results for the six-month period ended June 30, 2016.

⁽⁴⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁵⁾ 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⁽¹⁾ (continued)

Series I

For the Year/Period Ended	June 30, 2016 ⁽³⁾	December 31, 2015 ⁽²⁾
Net Assets, beginning of year/period ⁽⁴⁾	\$ 9.39	\$ 10.00
Increase (decrease) from operations: ⁽⁵⁾		
Total revenue	0.22	0.14
Total expenses	(0.06)	(0.03)
Realized gain (loss) for the year/period	(0.68)	0.01
Unrealized gain (loss) for the year/period	1.42	(0.86)
Total increase (decrease) in Net Assets from operations	\$ 0.90	\$ (0.74)
Distributions to unitholders: ⁽⁴⁾		
From income (excluding dividends)	(0.25)	(0.13)
From dividends	—	—
Return of capital	—	—
Capital gain	—	—
Total distributions to unitholders	\$ (0.25)	\$ (0.13)
Net Assets, end of year/period⁽⁴⁾	\$ 10.04	\$ 9.39

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

⁽²⁾ 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 September 18, 2015 to December 31, 2015. For Series I, period from commencement of operations on September 17, 2015 to December 31, 2015.

⁽³⁾ Results for the six-month period ended June 30, 2016.

⁽⁴⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁵⁾ 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	June 30, 2016	December 31, 2015
Net Asset Value (in 000s)	\$ 4,023	\$ 4,689
Number of units outstanding (in 000s)	407	502
Base management expense ratio ⁽¹⁾	2.26%	2.30%
Management expense ratio ("MER") ⁽²⁾	2.60%	2.60%
Management expense ratio before waivers and absorptions	3.12%	3.44%
Trading expense ratio ⁽³⁾	0.24%	0.61%
Portfolio turnover rate ⁽⁴⁾	39.89%	9.38%
Net Asset Value per unit	\$ 9.90	\$ 9.35

Series F

As at	June 30, 2016	December 31, 2015
Net Asset Value (in 000s)	\$ 14	\$ —
Number of units outstanding (in 000s)	1	—
Base management expense ratio ⁽¹⁾	1.98%	1.28%
Management expense ratio ("MER") ⁽²⁾	2.18%	1.45%
Management expense ratio before waivers and absorptions	2.18%	7.37%
Trading expense ratio ⁽³⁾	0.24%	0.61%
Portfolio turnover rate ⁽⁴⁾	39.89%	9.38%
Net Asset Value per unit	\$ 10.36	\$ —

⁽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.

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

Series I

As at	June 30, 2016	December 31, 2015
Net Asset Value (in 000s)	\$ 14,382	\$ 13,228
Number of units outstanding (in 000s)	1,433	1,408
Base management expense ratio ⁽¹⁾	0.71%	0.70%
Management expense ratio (“MER”) ⁽²⁾	0.80%	0.79%
Management expense ratio before waivers and absorptions	0.87%	1.17%
Trading expense ratio ⁽³⁾	0.24%	0.61%
Portfolio turnover rate ⁽⁴⁾	39.89%	9.38%
Net Asset Value per unit	\$ 10.04	\$ 9.39

⁽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.

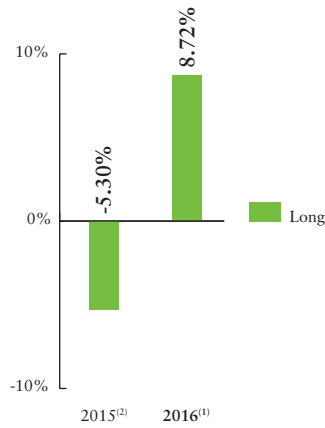
PAST PERFORMANCE

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 June 30, 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.

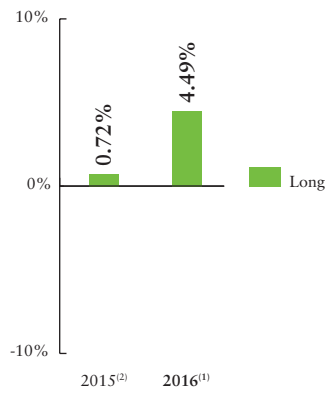
Series A



⁽¹⁾ The six-month period ended June 30, 2016.

⁽²⁾ Period from commencement of operations on September 21, 2015 to December 31, 2015.

Series F

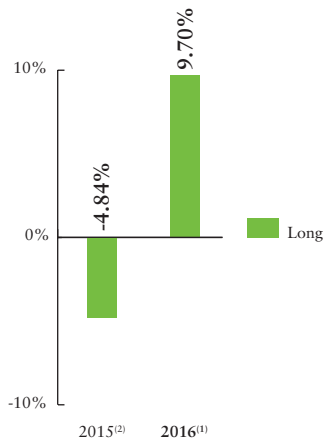


⁽¹⁾ The period from April 27, 2016 (the date after fully redemption) to June 30, 2016.

⁽²⁾ Period from commencement of operations on September 18, 2015 to December 31, 2015.

Year-by-Year Returns (continued)

Series I



⁽¹⁾ The six-month period ended June 30, 2016.

⁽²⁾ Period from commencement of operations on September 17, 2015 to December 31, 2015.

SUMMARY OF INVESTMENT PORTFOLIO⁽¹⁾

As at June 30, 2016

Sector Allocation	% of NAV
Financials	35.8%
Utilities	16.5%
Energy	10.5%
Telecommunication Services	7.4%
Health Care	6.3%
Consumer Discretionary	5.9%
Consumer Staples	5.4%
Industrials	3.7%
Canadian Corporate Bonds	2.6%
Net Other Assets (Liabilities)	5.9%
Total	100.0%

Top 25 Holdings

Security Name	% of NAV
Northland Power Inc.	9.1%
Medical Facilities Corp.	6.3%
Liquor Stores N.A. Ltd.	5.4%
Brookfield Renewable Energy Partners LP/CA	5.2%
Cash	4.5%
American Hotel Income Properties REIT LP	4.1%
TELUS Corp.	4.0%
Veresen Inc.	3.3%
Pure Multi-Family REIT LP	3.2%
Cineplex Inc.	3.0%
Park Lawn Corp.	2.9%
Manulife Financial Corp.	2.8%
Canadian National Railway Co.	2.7%
Algonquin Power & Utilities Corp., 5.000%, March 31, 2026	2.6%
Bank of Montreal	2.4%
Mainstreet Health Investments Inc.	2.3%
Bank of Nova Scotia	2.3%
Toronto-Dominion Bank	2.3%
Royal Bank of Canada	2.2%
WPT Industrial REIT	2.2%
Brookfield Infrastructure Partners LP	2.2%
Automotive Properties Real Estate Investment Trust	2.1%
Canadian Imperial Bank of Commerce	2.1%
Rogers Communications Inc.	2.0%
Pembina Pipeline Corp.	2.0%
Total % of Long Positions	83.2%
Total Net asset value (NAV):	\$ 18,419,310

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

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

Auditor

PricewaterhouseCoopers LLP

Website

www.astonhill.ca