ASTON HILL MBB TRUST

ANNUAL INFORMATION FORM

Units

FINANCIAL YEAR ENDED DECEMBER 31, 2015

March 30, 2016

FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Manager believes the expectations reflected in forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this annual information form should not be unduly relied upon. These statements speak only as of the date of this annual information form.

In particular, this annual information form may contain forward-looking statements pertaining to distributable cash and distributions. The actual results could differ materially from those anticipated in these forward-looking statements as a result of, among other things, the risk factors set out in this annual information form. The Manager does not undertake any obligation to publicly update or revise any forward-looking statements.

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms shall have the meanings set forth below, unless otherwise indicated.

"**Additional Distribution**" means with respect to any taxation year of the Fund, the amount, if any, by which the aggregate of the Net Income and the Net Realized Capital Gains, less any Net Realized Capital Gains the tax on which would be refundable to the Fund in the current year under Part I of the Income Tax Act, for such taxation year exceeds the aggregate cash distributions paid or payable by the Fund for such taxation year.

"**Aston Hill**" means Aston Hill Asset Management Inc.

"**Bonds**" means debt securities with a term to maturity greater than one year issued by corporations or by governments and their agencies.

"**Business Day**" means any day except Saturday, Sunday, a statutory holiday in Toronto, Ontario or any other day on which the TSX is not open for trading.

"**Corporate Bonds**" means Bonds that are not Government Bonds which, for greater certainty, includes (i) debt securities issued by North American issuers and (ii) Canadian or United States dollar denominated debt securities issued by non-North American issuers.

"**CRA**" means the Canada Revenue Agency.

"**Custodian**" means RBC Investor Services Trust in its capacity as custodian under the Custodian Agreement, as appointed from time to time by the Manager.

"**Custodian Agreement**" means the custodian agreement entered into by the Manager, on behalf of the Fund, and the Custodian dated as of November 18, 2011, as it may be amended from time to time.

"**Declaration of Trust**" means the second amended and restated declaration of trust governing the Fund, as it may be amended, restated or modified from time to time, as described in section 1.1 of this Annual Information Form.

"**Extraordinary Resolution**" means a resolution passed by the affirmative vote of at least $66^2/_3$% of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**Fund**" means Aston Hill MBB Trust.

"**Fund Investment**" means an investment acquired and managed by the Manager on behalf of the Fund, and "**Fund Investments**" means more than one Fund Investment taken collectively.

"**Fund Property**" means the property and assets of the Fund.

"**Government Bonds**" means debt securities issued by the United States Department of the Treasury or the Bank of Canada.

"**High Yield**" with respect to a Bond, means a Bond that has a rating of BB+ or less from S&P or Ba1 or less from Moody's Investor Services Inc. or a similar rating from a qualified rating agency.

"**Income Tax Act**" means the *Income Tax Act* (Canada), as amended, or successor statutes, and shall include regulations promulgated thereunder.

"**Investment Grade**" means a Bond having a rating of BBB- or greater from S&P, or Baa3 or greater from Moody's Investor Services, Inc or a similar rating from a qualified rating agency.

"**Investment Objectives**" means the investment objectives of the Fund as set forth in the Declaration of Trust as described in section 1.1.1 of this Annual Information Form.

"**Investment Restrictions**" means the investment restrictions of the Fund as set forth in the Declaration of Trust, including without limitation, those described in section 2.0 of this Annual Information Form.

"**Investment Strategy**" means the investment strategy of the Fund as set forth in the Declaration of Trust as described in section 1.1.2 of this Annual Information Form.

"**IRC**" means the Independent Review Committee established by the Manager for the Fund pursuant to NI 81-107.

"**Management Agreement**" means the management agreement dated as of April 23, 2009 between the Manager and the Fund, as it may be amended from time to time.

"**Management Fee**" means the management fee payable to the Manager pursuant to the Management Agreement and the Declaration of Trust as described in section 8.1.1 of this Annual Information Form.

"**Manager**" means the manager and administrator of the Fund, namely Aston Hill Asset Management Inc.

"**MBB Fund**" means Aston Hill Advantage Bond Fund, an investment fund governed pursuant to an amended and restated declaration of trust dated as of April 23, 2009, as amended.

"**Net Asset Value**" means, at any time, the net asset value of the Fund, as determined in accordance with the Declaration of Trust as described in section 5.0 of this Annual Information Form.

"**Net Asset Value per Unit**" means the Net Asset Value divided by the total number of Units outstanding on any Valuation Date.

"**Net Income**" **or** "**Net Loss**" of the Fund for a taxation year means the amount, if any, by which the income or loss of the Fund for such taxation year computed in accordance with the provisions of the Income Tax Act, other than paragraph 82(1)(b) and subsection 104(6) thereof and disregarding any designations made by the Fund under subsection 104(19) of the Income Tax Act, without reference to the Fund's "capital gains" or "capital losses" (as those terms are defined in the Income Tax Act) for the taxation year, exceeds the non-capital losses of the Fund (as defined in the Income Tax Act) for any preceding taxation years of the Fund, to the extent that they may be, and are deducted in computing taxable income of the Fund for such taxation year for the purposes of the Income Tax Act.

"**Net Realized Capital Gains**" of the Fund for a taxation year means the amount, if any, by which:

(i) the capital gains realized by the Fund in the taxation year;

exceed the aggregate of:

(ii) the capital losses incurred by the Fund in the taxation year;

(iii) the unapplied capital losses incurred by the Fund in the preceding taxation years, to the extent that they may be, and are applied against capital gains realized by the Fund in the taxation year; and

(iv) any Net Loss of the Fund for the year and, if the Trustee so determines, any unapplied non-capital losses (as defined in the Income Tax Act) of the Fund for preceding years of the Fund, in each case multiplied by the reciprocal of the applicable fraction in paragraph 38(a) of the Income Tax Act.

where, for this purpose, "capital gains" and "capital losses" shall be computed in accordance with the provisions of the Income Tax Act.

"**NI 81-107**" means National Instrument 81-107 *Independent Review Committee for Investment Funds* of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.

"**Ordinary Resolution**" means a resolution passed by the affirmative vote of at least a majority of the votes cast, either in person or by proxy, at a meeting of Unitholders called for the purpose of considering such resolution.

"**Portfolio**" means the portfolio of Fund Investments held by the Fund.

"**Redemption Date**" means any Business Day on which Units are surrendered for redemption by a Unitholder provided that the redemption notice is given to the Trustee on or before 5:00 p.m. (Toronto time) on that day.

"**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"**Tax Proposals**" means all specific proposals to amend the Income Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.

"**Termination Date**" means the date the Fund is terminated in accordance with the Declaration of Trust, as described in section 3.4 of this Annual Information Form.

"**Total Assets**" means the aggregate value of the assets of the Fund calculated in accordance with the Declaration of Trust as described in section 4.0 of this Annual Information Form.

"**Trustee**" means Aston Hill Asset Management Inc., in its capacity as trustee under the Declaration of Trust.

"**TSX**" means the Toronto Stock Exchange.

"**Unit**" means one transferable, redeemable trust unit of the Fund, representing an equal, fractional and undivided beneficial interest in the Fund Property net of all liabilities of the Fund. "**Units**" represents more than one transferable, redeemable trust unit of the Fund.

"**Unitholder(s)**" means the holder(s) of the Units.

“**Valuation Date**” means, at a minimum, Thursday of each week, or if any Thursday is not a Business Day, the immediately preceding Business Day, and the last Business Day of the month, and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value and Net Asset Value per Unit.

1.0 NAME, FORMATION AND HISTORY

Aston Hill MBB Trust is an investment fund with a registered office located at 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8. The Fund was established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of January 12, 2009. The Declaration of Trust was amended and restated as of March 30, 2009 to include, among other amendments, changing the name of the Fund to MBB Trust. The Declaration of Trust was further amended and restated as of April 23, 2009 in connection with the initial public offering and included, among other amendments, adding provisions relating to the management, administration and operation of the Fund. The Declaration of Trust was further amended on August 22, 2011 to change the name of the Fund from "MMB Trust" to "Aston Hill MBB Trust".

1.1 Declaration of Trust

1.1.1 Investment Objectives

The Declaration of Trust provides that the Investment Objectives of the Fund are to provide Unitholders with the benefits of attractive distributions together with the opportunity for capital appreciation.

1.1.2 Investment Strategy

The Fund seeks to achieve its Investment Objectives by investing the Fund Property in an actively managed portfolio consisting primarily of North American Corporate Bonds managed by the Manager and, at the discretion of the Manager, selling short Government Bonds with an aggregate sales price up to one-third of the Total Assets and investing the proceeds in additional Corporate Bonds.

1.1.3 General

The Declaration of Trust also provides for the administration of the Fund and governs matters including, without limitation, the powers of the Trustee, the issue and sale of Units, the form and content of Unit certificates, the registration and the transfer of Units, the redemption of Units, distributions to Unitholders, the provision of management and administration, portfolio advisory and custodial services to the Fund, the limitation on the liability of the Unitholders, the Trustee and other parties and the termination of the Fund.

2.0 INVESTMENT RESTRICTIONS

The Fund was required to become a reporting issuer under the *Securities* Act (Ontario) and the *Securities Act* (Quebec) by the Ontario and Quebec securities regulatory authorities. The Fund was not required to become a reporting issuer by any other provincial or territorial securities regulatory authorities.

The Fund is not subject to the standard investment restrictions and practices set out in National Instrument 81-102 *Mutual Funds* ("NI 81-02"). However, the Fund is subject to certain other requirements and restrictions contained in securities legislation, including National Instrument 81-106 *Investment Fund Continuous Disclosure*, which governs the continuous disclosure obligations of investment funds, such as the Fund. The Fund is managed in accordance with such applicable requirements and restrictions and the Investment Restrictions set out in the Declaration of Trust.

3.0 DESCRIPTION OF SECURITIES

3.1 The Units

The Fund is authorized to issue an unlimited number of a single class of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each Unit entitles the holder to the same rights and obligations as a holder of any other Unit and no holder of Units is entitled to any privilege, priority or preference in relation to any other holder of Units. Each holder of Units is entitled to one vote for each whole Unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of Net Income and Net Realized Capital Gains, if any. On termination or liquidation of the Fund, the holders of outstanding Units of record are entitled to receive on a *pro rata* basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The Declaration of Trust permits fractions of Units to be issued which have the same rights, restrictions, conditions and limitations attaching to whole Units in the proportion which they bear to a whole Unit, except that fractional Units do not have the right to vote.

3.2 Distributions

The Fund will make Distributions to Unitholders if, as and when declared by the Manager. There can be no assurance that the Fund will be able to make any Distributions.

The Fund will be subject to tax under Part I of the Income Tax Act in each taxation year on the amount of its income for the year, including Net Realized Capital Gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. The Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year, and therefore, provided the Fund makes distributions in each year of its net income and Net Realized Capital Gains, it will generally not be liable in such year for income tax under Part I of the Income Tax Act.

The Fund will distribute such portion of its net income and Net Realized Capital Gains earned in each fiscal year to ensure that it is not liable for income tax under Part I of the Income Tax Act. To the extent that the Fund has not distributed in cash a sufficient amount of its net income and Net Realized Capital Gains in any year to ensure that it is not liable to tax in that year, the difference between such amount and the amount actually distributed by the Fund will be paid through the issuance of additional Units having a Net Asset Value in the aggregate at the date of distribution equal to this difference. Immediately after any such distribution of Units, the number of outstanding Units will be consolidated such that each Unitholder of the Fund (other than holders that are not resident in Canada) will hold after the consolidation the same number of Units as it held before the distribution of additional Units. Additional information regarding tax matters is set out in section 11.0.

3.3 Amendment of the Declaration of Trust

3.3.1 Amending of the Declaration of Trust by the Trustee

The Declaration of Trust provides that the Trustee is entitled to amend the Declaration of Trust without consent of, or notice to, the Unitholders to:

(i) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any law, regulation or requirements of any governmental authority applicable to or affecting the Fund;

(ii) make any change or correction which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(iii) bring the Declaration of Trust into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities or investment fund industries, provided such amendments do not, in the opinion of the Manager, adversely affect the pecuniary value of the interest of the Unitholders or restrict any protection for the Trustee or the Manager or increase their respective responsibilities;

(iv) maintain the status of the Fund as a "unit trust" for the purposes of the Income Tax Act or to respond to amendments to such Act or to the interpretation or administration thereof; or

(v) provide added protection or benefit to Unitholders.

3.3.2 Amending of the Declaration of Trust by the Unitholders

The Declaration of Trust may be amended by the written consent of the Unitholder in lieu of a meeting if there is only one Unitholder. Currently, there is only one Unitholder. In the event there is more than one Unitholder, the Declaration of Trust provides that except as otherwise required by or contemplated in the Declaration of Trust, which exceptions are summarized below, the Declaration of Trust may be amended by an Ordinary Resolution of the Unitholders passed at a meeting called for the purpose of considering such Ordinary Resolution.

The Declaration of Trust provides that the following may only be undertaken with the approval of Unitholders by an Extraordinary Resolution:

(i) the removal of the Trustee or any of its affiliates as the trustee of the Fund;

(ii) any change in the Investment Objectives, Investment Strategy or Investment Restrictions of the Fund, unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;

(iii) any material change in the Management Agreement, other than a change in the Manager provided the new manager is an affiliate of the Manager;

(iv) any increase in the Management Fee;

(v) any amendment, modification or variation in the provisions or rights attaching to the Units;

(vi) any issue of Units for net proceeds per Unit less than the most recently calculated Net Asset Value per Unit prior to the date of the setting of the subscription price by the Fund;

(vii) any change in the frequency of calculating Net Asset Value per Unit to less often than weekly;

(viii) any merger, arrangement or similar transaction or the sale of all or substantially all of the assets of the Fund other than in the ordinary course of business;

(ix) any liquidation, dissolution or termination of the Fund except if it is determined by the Manager, in its sole discretion, to be in the best interest of the Unitholders or otherwise in accordance with the Declaration of Trust; and

(x) any amendment to the above provisions except as permitted by the Declaration of Trust.

3.4 Termination of the Fund

Pursuant to the Declaration of Trust, the Fund will terminate on the earlier of April 30, 2029, and the date specified in an Extraordinary Resolution of Unitholders calling for the termination of the Fund or an alternative to termination is approved by way of an Extraordinary Resolution at a duly called meeting of Unitholders. In addition, the Declaration of Trust also provides that if the Manager resigns and no new Manager is appointed by the Trustee within 120 days of the Manager giving notice to the Trustee of such resignation, the Fund will automatically terminate on the date which is 60 days following the end of such 120 day period.

The Declaration of Trust further provides that prior to a Termination Date (as specified in the Declaration of Trust and summarized above), the Manager will convert the Fund Investments to cash to the extent practicable and will satisfy or make appropriate provision for all liabilities of the Fund. The Declaration of Trust permits that the Manager may, with the consent of the Unitholders, postpone the Termination Date by a period of up to 180 days if the Manager is unable to convert all of the Fund Investments to cash prior to the original Termination Date and the Manager determines that it would be in the best interests of the Unitholders to do so. Upon termination, the Declaration of Trust provides that the Fund will distribute to Unitholders their *pro rata* portions of the remaining assets of the Fund which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the Termination Date, such unliquidated assets *in specie* rather than in cash.

4.0 VALUATION OF PORTFOLIO SECURITIES

Under the Declaration of Trust, the calculation of Total Assets on a Valuation Date is to be determined as follows:

(a) the value of any cash on hand or on deposit, bill, demand note, account receivable, prepaid expense, distribution or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the Total Assets are being determined, and to be receivable) and interest accrued and not yet received shall be deemed to be the full amount thereof provided that if the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, distribution, or other amount receivable (or declared to holders of record of securities owned on a date before the Valuation Date as of which the Total Assets are being determined, and to be receivable) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the Manager determines to be the fair market value thereof;

(b) the value of any bonds, debentures, and other debt obligations and short positions shall be valued by taking the average of the bid and ask prices quoted by a major dealer or recognized information provider in such securities at consistent times on a Valuation Date. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the Manager) shall be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the latest offer price or bid price shall be used), as at the Valuation Date on which the Total Assets are being determined, all as reported by any means in common use;

(d) the value of any security which is traded over-the-counter will be priced at the average of the last bid and asked prices quoted by a major dealer or recognized information provider in such securities;

(e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Total Assets are being determined as determined by the Manager (generally the Manager will value such security at cost until there is a clear indication of an increase or decrease in value);

(f) any market price reported in currency other than Canadian dollars will be translated into Canadian currency at the rate of exchange available to the Fund from the Custodian on the Valuation Date on which the Total Assets are being determined;

(g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the Manager and investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the Manager;

(h) the value of any forward contract will be the value that would be realized by the Fund if, on the date on which the Total Assets are being determined, the forward contract were to be closed out in accordance with its terms; and

(i) the value of any security or property to which, in the opinion of the Manager, the above principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the Manager from time to time adopts;

except that, for the purposes of calculating the redemption amount in connection with a redemption of Units on a Redemption Date that falls on the second last Business Day of October of each year commencing in 2010, the value of any bonds, debentures and other debt obligations in the Portfolio will be valued by taking a bid price on the Valuation Date and any short position of the Fund will be valued by taking the ask price on the Valuation Date.

The Manager has not exercised its discretion to determine fair market value since inception of the Fund.

The primary difference between the valuation principles set out above and Canadian generally accepted accounting principals ("Canadian GAAP") is that under Canadian GAAP, securities traded in an active market are valued using the last available bid price for securities held long and ask prices for securities sold short.

5.0 CALCULATION OF NET ASSET VALUE

Pursuant to the Declaration of Trust, the Net Asset Value per Unit on any Valuation Date is calculated by dividing the Net Asset Value on such Valuation Date (calculated by subtracting the aggregate amount of the Fund's liabilities from the Total Assets) by the total number of Units outstanding on such Valuation Date. The Net Asset Value per Unit is calculated as at the close of business on each Valuation Date which is, at a minimum, Thursday of each week (or if any Thursday is not a Business Day, the immediately preceding Business Day), and the last Business Day of each month and includes any other date on which the Manager elects, in its discretion, to calculate the Net Asset Value per Unit.

The Net Asset Value per Unit is calculated in Canadian dollars.

6.0 PURCHASES OF UNITS

Pursuant to the Declaration of Trust, the Trustee shall allot and issue Units at such times and in such manner and for such consideration and to such persons as the Manager in its sole discretion shall determine.

7.0 REDEMPTION OF SECURITIES

Subject to the Fund's right to suspend redemptions as discussed below, Unitholders are entitled to surrender Units for redemption in accordance with the Declaration of Trust at any time. The Declaration of Trust provides that Units surrendered for redemption will be redeemed at a redemption amount per Unit that is equal to the Net Asset Value per Unit for each Unit so redeemed, minus any costs associated with the redemption, including all brokerage costs. At the option of the Unitholder the redemption amount may be satisfied by delivery to the Unitholder of Portfolio securities. Payment of the redemption amount will be made on or before the tenth Business Day following such redemption date.

Units may be surrendered for redemption by presentation by the Unitholder to the Trustee of a redemption notice in a form acceptable to the Trustee, specifying the number of Units to be redeemed, and if definitive Unit certificates have been issued therefore, accompanied by such Unit certificates.

7.1 Suspension of Redemptions

The Declaration of Trust permits the Manager to direct the Trustee to suspend the redemption of Units or payment of redemption proceeds (a) for the whole or any part of a period during which normal trading is suspended on one or more stock exchanges, options exchanges or futures exchanges on which more than 50% of the issuers included in the Portfolio (by value) are listed and traded; or (b) for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Manager to determine the value of the assets of the Fund. The suspension may apply to all requests for redemption received prior to the suspension, but for which payment has not been made, as well as to all requests received while the suspension is in effect. In such circumstances all Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first Business Day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Fund, any declaration of suspension made by the Manager shall be conclusive.

8.0 RESPONSIBILITY FOR OPERATIONS

8.1 Manager

The Declaration of Trust provides that the Trustee shall appoint or retain a manager to manage the business and affairs of the Fund. The Trustee has appointed the Manager pursuant to the terms of the Declaration of Trust and the Management Agreement. The Manager was formed pursuant to the *Business Corporations Act* (Ontario) by articles of amalgamation dated December 30, 2011. Its head office is located at 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8. Its telephone number is (416) 583-2300, its e-mail address is info@astonhill.ca and its website address is www.astonhill.ca. The Manager is registered with the Ontario Securities Commission as an exempt market dealer, portfolio manager and investment fund manager.

Pursuant to the Management Agreement, the Manager is responsible for providing, or causing to be provided, management and administrative services and facilities to the Fund, and may delegate certain of its powers to third parties at no additional cost to the Fund where, in the discretion of the Manager, it would be in the best interests of the Fund and the Unitholders to do so.

8.1.1 Management Fee

In consideration for its services to the Fund and MBB Fund, the Fund and MBB Fund pay the Manager a fee and reimburse the Manager for all reasonable costs and expenses incurred by the Manager on behalf of the Fund. The Manager receives a Management Fee from the Fund and MBB Fund which in aggregate is equal to 0.75% per annum of the Total Assets of the Fund, calculated and payable monthly in arrears, plus applicable taxes. The Manager pays the Portfolio Manager out of its Management Fee.

8.1.2 Termination of the Management Agreement

The Management Agreement may be terminated at any time by the Trustee, on behalf of the Fund, on 90 days written notice with the approval of the Unitholders by an Ordinary Resolution passed at a duly convened meeting of Unitholders called for the purpose of considering such Ordinary Resolution. The Management Agreement may also be terminated by the Trustee, on behalf of the Fund:

- at any time on 30 days written notice to the Manager in the event of the persistent failure of the Manager to perform its duties and discharge its obligations under the Management Agreement, or the continuing malfeasance or misfeasance of the Manager in the performance of its duties under the Management Agreement;
- immediately in the event of the commission by the Manager of any fraudulent act; and
- automatically, if the Manager becomes bankrupt, insolvent or makes a general assignment for the benefit of its creditors.

The Manager may resign and the Management Agreement may be terminated upon 120 days notice to the Trustee. The Manager may assign the Management Agreement to an affiliate of the Manager at any time.

8.1.3 Directors and Officers of the Manager

The name, municipality of residence, position with the Manager and principal occupation of each of the directors and officers of the Manager are set out below:

Name and Municipality of Residence	**Position with the Manager**	**Principal Occupation During Last Five Years**
James Werry Toronto, Ontario	CEO and Director	CEO and Director since February, 2016; CEO, President and Director of Aston Hill Financial Inc. since February, 2016; prior thereto, Chairman of the Board of Governance for CI Investments Inc. since September, 2011; CEO of Manitou Investment Management Ltd. since February, 2013; CEO of Myca Health Inc. since November, 2011; prior thereto, member of the Board of Directors of GMP Insurance Inc. from April, 2007 to May, 2011.
Derek L. Slemko Calgary, Alberta	President, COO and Director	President, COO and Director since December 31 ,2015; prior thereto, Interim Chief Financial Officer since August 1, 2015; prior thereto, Senior Vice-President, Finance and Business Development, Aston Hill Financial Inc. from June, 2012 to August, 2015; prior thereto, Vice President Business Development, Aston Hill Financial Inc. from September, 2006 to June, 2012.
Benedict G. Cheng Toronto, Ontario	Chief Investment Officer	Chief Investment officer since July, 2015, prior thereto, President, Aston Hill Financial Inc. from December 2006 to February, 2016; Co-Chief Investment Officer, the Manager, from January, 2012 to July, 2015.
Sasha Rnjak Woodbridge, Ontario	Vice President, Fund Operations, Chief Compliance Officer and Secretary	Vice President, Fund Operations and CCO, the Manager, since September, 2013; Secretary, the Manager, since August, 2013; Chief Compliance Officer, the Manager, since April 2011; prior thereto, Compliance Manager, CI Investments Inc., since September, 2007.
Andrew LB Hamlin Toronto, Ontario	Vice President and Portfolio Manager	Vice President and Portfolio Manager, the Manager, since May 2007.
Alexander (Sandy) Liang Toronto, Ontario	President and CEO, AHF Capital Partners Inc.	President and CEO, AHF Capital Partners Inc., since March, 2013; prior thereto, Vice President and Portfolio Manager, the Manager, since October 2011; prior thereto, Portfolio Manager, Cobalt Capital Management, since 2008; prior thereto, Senior Managing Director, Bear, Stearns & Co. Inc., since 2000.
John Kim Toronto, Ontario	Vice President and Portfolio Manager	Vice President and Portfolio Manager, the Manager, since April 2014.
Vivian Lo Etobicoke, Ontario	Vice President and Portfolio Manager	Vice President and Portfolio Manager, the Manager, since February 2010; prior thereto, Senior Equity Analyst since January 2007.
Kal Zakarneh Toronto, Ontario	CFO and Director	CFO and Director since March, 2016; prior thereto, Vice President, Fund Accounting Controller since December, 2013; prior thereto, Fund Accounting Controller at Connor, Clark & Lunn Financial Group since May, 2005.
Hanley Mathew Burlington, Ontario	Vice President, Operations	Vice President, Operations since September, 2015; prior thereto, Senior Manager, Client Service, Russell Investments Canada since June 2011; prior thereto Manager, Operations, Russell Investments Canada since September 2001

8.1.4 Independent Review Committee

On behalf of the Fund, the Manager maintains an independent review committee (the "IRC") in accordance with the requirements of NI 81-107. NI 81-107 imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters (the "Policies"), to maintain records in respect of these matters and to provide assistance to the IRC in carrying out its functions. The Policies have been adopted by the Manager and the IRC.

The IRC must be comprised of a minimum of three independent members and is required to conduct regular assessments and provide reports to the Manager and to Shareholders in respect of its functions. The report prepared by the IRC is available on the Manager's website (www.astonhill.ca), or on request at no cost, by contacting the Manager 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario M5K 1G8.; telephone: (416) 583-2300; or toll free: 1-800-513-3868. The current members of the IRC are Mr. John Crow, Mr. Robert Falconer, Mr. C. Scott Browning and Mr. Joseph Wright (joined August 15, 2013). The IRC has adopted a written charter that sets forth its mandate, responsibilities and functions and the policies and procedures it follows when performing its functions. The IRC reviews all conflict of interest matters referred to it by the Manager and makes recommendations on whether a course of action achieves a fair and reasonable result for the Fund. Only upon making such a determination will the IRC recommend to the Manager that the transaction proceed.

The IRC also reviews and assesses the adequacy and effectiveness of the Policies, of any standing instruction the IRC may have provided to the Manager, and the Fund's compliance with any conditions which the IRC may have imposed in a recommendation or approval which it may have provided to the Manager, and of any subcommittee to which the IRC may have delegated any of its functions.

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. For the year ended December 31, 2015, members of the IRC were paid the following aggregate compensation: Mr. Crow: $29,662; Mr. Falconer: $24,012; Mr. Browning $24,012 and Mr. Wright $24,012.

The report prepared by the IRC is available on the Manager's website (www.astonhill.ca), or on request at no cost, by contacting the Manager at 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario M5K 1G8; telephone: (416) 583-2300; or toll free: 1-800-513-3868.

8.2 Portfolio Manager

The Manager has retained its affiliate AHF Capital Partners Inc. to act as the portfolio manager to the Fund. Prior to April 2012, Manulife Asset Management Limited acted as the portfolio manager to the Fund. As portfolio manager, AHF Capital Partners Inc. is responsible for maintaining the Portfolio in accordance with the Investment Strategy and subject to the Investment Restrictions.

8.2.1 Principal Portfolio Advisor

The following individual is primarily responsible for making investment decisions for the Fund.

Name	Length of Service and Experience in the Past 5 Years
ALEXANDER (SANDY) LIANG	Chief Executive Officer and Portfolio Manager, AHF Capital Partners Inc. since March,

Toronto, Ontario	2013; prior thereto Vice President and Portfolio Manager, Aston Hill Asset Management Inc; prior thereto, Portfolio Manager, Cobalt Capital Management, since 2008; prior thereto, Senior Managing Director, Bear, Stearns & Co. Inc., since 2000.

Mr. Liang makes all investment decisions for the Fund's Portfolio. These decisions are not subject to oversight, approval or ratification of a committee.

8.2.2 Brokerage Arrangements

The Manager has an approved list of dealers with whom to trade based on the dealer's financial strength and regulatory history. Factors considered when selecting a dealer from this list include the dealer's ability to source liquidity, provide anonymity, willingness to commit capital, trading experience and reputation. Commission rate schedules have been negotiated with each approved dealer considering the overall level of service provided by each dealer. The majority of the commission rate schedules are in the form of bundled services where the dealer provides the Manager with trade execution services and their proprietary research services which typically include sector and company research reports, economic reports, analyst calls, meetings with company management, analyst meetings, sales calls and financial models. The Manager also uses third party research services provided by third party vendors. The Manager obtains these research services using client commissions in accordance with applicable securities regulations.

On any given trade, the trader considers the full range of a dealer's capabilities and services which may include the ability to execute a difficult order, certainty of execution and the overall cost of transaction. On a regular basis, the trader and the portfolio manager monitor and evaluate the performance and execution capabilities of the dealers. The dealers are ranked on a number of qualitative criteria that relate to the level of service that the Manager has received. In addition, a working group reviews reports that provide analysis of the Manager's trading execution performance and of the dealers that are used. This enables the Manager to assess the overall quality of execution obtained for clients. The results of the findings may ultimately alter the ranking of a dealer and future trading with a dealer. The Manager does not trade through affiliated dealers.

Since the date of the last annual information form, the Manager has had brokerage relationships with dealers who have provided research goods and services in addition to order execution. The names of the dealers and third parties who provide research and order execution services to the Fund are available upon request by calling the Manager toll-free at 1-800-513-3868, by sending the Manager an email at info@astonhill.ca or by writing to the Manager.

8.3 Trustee

Aston Hill is the Trustee of the Fund and is responsible for certain aspects of the administration of the Fund as described in the Declaration of Trust. The address of the Trustee 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

8.4 Custodian

The Manager has appointed RBC Investor Services Trust as Custodian of the Fund Property pursuant to the terms of a Custodian Agreement to provide various safekeeping and custodial services relating to the Fund Property. The address of the Custodian is 155 Wellington Street West, Toronto, Ontario M5V 3L3.

The Custodian may, in accordance with the terms of the Custodian Agreement, appoint sub-custodians and enter into sub-custodian agreements. The principal sub-custodian appointed by the Custodian is The

Bank of New York Mellon, 1 Wall Street, New York, New York. The Custodian entered into sub-custodian agreements with The Bank of New York Mellon, under which The Bank of New York Mellon provides for the safekeeping of client assets of the Custodian in the United States.

8.4.1 Custodian Fees

In consideration for its services, the Fund pays to the Custodian such compensation as agreed upon in writing between the Manager and the Custodian from time to time and reimburses the Custodian for all reasonable costs and expenses incurred by the Custodian on behalf of the Fund.

8.4.2 Termination of the Custodian Agreement

The Custodian Agreement may be terminated by either party without penalty by giving at least 60 days prior written notice. Prior notice is not required and termination will be immediate if:

- either party is declared bankrupt or shall be insolvent;
- the assets or the business of either party shall become liable to seizure or confiscation by any public or governmental authority; or
- the Manager's powers and authorities to act on behalf of or represent the Fund have been revoked or terminated.

8.5 Valuation Services

The Manager, on behalf of the Fund, has appointed RBC Investor Services Trust to provide the Fund with valuation services. Such services include the calculation of the Fund's Net Asset Value, calculated in accordance with the Fund's valuation parameters described in section 4.0.

8.6 Auditor, Registrar, Transfer Agent and Distribution Agent

The auditors of the Fund are PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta. The auditors of the Fund can be changed by an Ordinary Resolution of the Unitholders. The register and transfer ledger for the Units is kept by the Trustee at its offices located in Toronto.

9.0 CONFLICTS OF INTEREST

9.1 Principal Holders of Securities

The Manager is a wholly-owned subsidiary of Aston Hill Financial Inc., a public company traded on the TSX. As of the date hereof, all of the outstanding Units were held by The Bank of Nova Scotia or an affiliate thereof.

The Declaration of Trust acknowledges that the Trustee may provide services to the Fund in other capacities, provided that the terms of any such arrangements are no less favourable to the Fund than those which would be obtained from parties which are at arm's length for comparable services. The services of the Custodian and the officers and directors of the Custodian are not exclusive to the Fund. The Custodian and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, engage in any other activity.

The Manager and its directors and officers engage in the promotion, management or investment management of one or more funds or trusts with investment objectives similar to the Fund. The Manager acts as the investment advisor or administrator for other funds and may in the future act as the investment advisor to other funds which invest in securities and which are considered competitors of the Fund. The services of the Manager are not exclusive to the Fund.

In addition, the directors and officers of the Manager may be directors, officers, shareholders or unitholders of one or more issuers in which the Fund may acquire securities. The Manager or its affiliates may be a manager of one or more issuers in which the Fund may acquire securities and may be managers or administrators of funds with similar investment objectives as the Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Fund and the Manager, as applicable.

No person or entity that provides services to the Fund or the Manager in relation to the Fund is an affiliated entity of the Manager.

9.2 Securities Held by Members of the Independent Review Committee

As at the date hereof, the members of the IRC did not own, directly or indirectly, any securities in the Manager. Further, as at the date hereof, the percentage of securities of each class or series of voting securities beneficially owned, directly or indirectly, in aggregate, by all members of the IRC in any person or company that provides material services to the Fund or Manager or in any one or more Canadian chartered bank which provides a loan facility or other credit to the Fund or Manager is less than 1%.

10.0 FUND GOVERNANCE

The Manager supports good governance practices for its investment funds. The board of directors of the Manager (the “Board”) is responsible for the overall stewardship of the business and affairs of the the Fund. The Board consists of 3 directors. Details regarding the names, principal occupations and committee memberships of the Board are set out in section 8.1.3.

The Board is responsible for developing the Fund’s approach to governance issues. To ensure the proper management of the Fund and compliance with regulatory requirements, the Board has adopted policies, procedures and guidelines relating to business practices, risk management control, and internal conflicts of interest. As part of managing its business practices, the Board has adopted a whistleblower policy, a privacy policy and has adopted the Manager’s proxy voting policy. The whistleblower policy establishes a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters pertaining to the Fund. The privacy policy dictates the manner in which the Fund and the Manager may collect, use and disclose personal information regarding the Unitholders. The proxy voting policy is described in section 10.2. As part of its risk management, the Board has adopted a disclosure policy. The disclosure policy sets out guidelines that aim to ensure that complete, accurate and balanced information is disclosed to the public in a timely, orderly and broad-based manner in accordance with securities laws and regulations. As part of managing potential internal conflicts of interest, the Board has adopted a code of business ethics and an insider trading policy. The code of business ethics and insider trading policy, address, among other things, ethical business practices and handling of material information and purchasing or selling of securities by insiders.

NI 81-107 requires the Manager to have policies and procedures relating to conflicts of interest and the Manager has such policies and procedures in place.

In accordance with NI 81-107, the Manager has appointed an IRC to deal with potential conflict of interest matters between the Manager and the Fund. See section 8.1.4 of this Annual Information Form.

The Manager maintains a website for the Fund at www.astonhill.ca. The mandate of the Board is available on the website. The Manager has an investor relations line to respond to inquiries from Unitholders, which is 1-800-513-3868.

10.1 Composition of the Independent Review Committee

As indicated in section 8.1.4 of this Annual Information Form, the IRC is comprised of four members, who were appointed by the Manager in accordance with NI 81-107. Subsequent to this initial appointment by the Manager, the IRC shall, taking into consideration any recommendation of the Manager, fill vacancies on the IRC, provided that if for any reason the IRC has no members, the Manager shall fill the vacancies.

10.2 Proxy Voting Policy

The Manager is authorized to exercise all rights and privileges incidental to ownership for the Fund Investments. The Fund has adopted the Manager's proxy voting policy (the "Proxy Voting Policy"), which provides general guidance, in compliance with applicable legislation, for the voting of proxies. The Manager has retained a third party service provider to provide proxy analysis, vote recommendations and vote execution services on behalf of the Manager, all in accordance with the Proxy Voting Policy. However, the ultimate decision as to how to cast a vote rests with the Manager, based on what the Manager believes to be in the best interest of the Fund and in accordance with the Fund's Investment Objectives, Investment Strategy and Investment Restrictions.

The Manager's Proxy Voting Policy includes:

(i) a standing policy with respect to dealing with routine matters, such as the election of directors, appointment of auditors, reporting of results and changes in capital structure. The Proxy Voting Policy generally provides for voting in favour of management's recommendations, unless there are specific circumstances for voting against and/or the Manager believes that the Fund's best interests would be better served by such counter vote. The Manager will also document the reasons for a decision to cast a proxy vote in a manner that deviates from the standing policy;

(ii) policies and procedures with respect to dealing with non-routine matters, including situations, albeit infrequently, where the Manager refrains from voting on such matters. Non-routine matters include: corporate restructurings, mergers and acquisitions, proposals affecting shareholder rights and executive compensation. These policies vary depending on the specific matter involved and are usually addressed on a case-by-case basis with a focus on the best interests of the securityholders of the Fund and the potential impact of the vote on securityholder value; and

(iii) policies and procedures with respect to dealing with potential conflicts of interest. With respect to potential conflicts of interest that may arise, the Manager will first review the matter to assess whether a conflict does in fact exist. In the event a conflict of interest has been initially determined, the matter will be thereafter referred to an internal committee of the Manager and if required, the Fund's IRC, for final determination. The rationale for the committee's ultimate decision will be documented accordingly.

The policies and procedures that the Fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling 1-800-513-3868 or by writing to the Manager at 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8.

The Fund's voting record for the most recent period ended June 30 of each year is available free of charge to any Unitholder of the Fund upon request at any time after August 31 of that year. The Fund has made its proxy voting record available on its website at www.astonill.ca.

10.3 Use of Derivatives

The Declaration of Trust allows the Fund to invest in or use derivative and other instruments for hedging, leverage or other purposes consistent with the Investment Strategy and Investment Objectives and subject to the Investment Restrictions.

10.4 Securities Lending

In order to generate additional returns, the Fund may enter into securities lending transactions through its Custodian as agent.

The Manager manages the risks associated with securities lending by requiring the Custodian to:

- Enter into securities lending, repurchase or reverse purchase transactions with reputable and well-established Canadian and foreign brokers, dealers and institutions ("counterparties");

- Maintain internal controls, procedures and records including a list of approved counterparties based on generally accepted creditworthiness standards, transaction and credit limits for each counterparty and collateral diversification standards;

- Establish daily the market value of both the securities loaned by the Fund under a securities lending transaction or sold by the Fund under a repurchase transaction and the cash or collateral held by the Fund. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, the Custodian will request that the counterparty provide additional cash or collateral to the Fund to make up the shortfall;

- Ensure that no more than 50% of the Total Assets of the Fund are out on loan at one time; and

- Ensure that the collateral to be delivered to the Fund is one or more of cash, qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the Fund.

The transaction may be terminated by the Fund at any time and the loaned securities recalled within the normal and customary settlement period for such transactions.

The Manager has written procedures that set out the objectives, goals and risk management practices with respect to securities lending arrangements which are reviewed annually by the Board. The securities lending arrangements and risks are monitored by the Manager. The Custodian conducts simulations to test the portfolio under stress conditions.

10.5 Short-Term Trades

The Fund does not have policies and procedures in place to monitor, detect and deter short-term trading given that there is only one Unitholder.

11.0 INCOME TAX CONSIDERATIONS

The following summary is based upon the current provisions of the Income Tax Act, the current published administrative practices of the CRA and the Tax Proposals. This summary assumes that the Tax Proposals will be enacted as proposed. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial or foreign tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations that may be relevant to the Fund, and is not intended to be legal or tax advice to any particular Unitholder. Unitholders should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon the Unitholder's particular circumstances.

11.1 Taxation of the Fund

The Fund will be a "financial institution" for purposes of the "mark-to-market" rules contained in the Income Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more "financial institutions". The Income Tax Act contains special rules for determining the income of financial institutions.

The Fund will be subject to tax in each taxation year under Part I of the Income Tax Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amounts paid or payable to Unitholders in the year. The Fund intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year, and therefore, provided the Fund makes Distributions in each year of its Net Income and Net Realized Capital Gains, it will generally not be liable in such year for income tax under Part I of the Income Tax Act.

In computing its income for tax purposes, the Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest on the Loan Facility, to the extent that the borrowed funds are used to purchase investments. The Fund may deduct over a five-year period the costs and expenses of any offering paid by the Fund. Although the Fund intends to deduct interest payable on the Loan Facility to the extent borrowed funds are used to purchase investments, the CRA has expressed a view that, in certain circumstances, the deductibility of interest on money borrowed to invest in an income fund may be reduced on a *pro rata* basis in respect of distributions from the income fund that are a return of capital which are not reinvested for an income earning purpose. The ability to deduct interest depends on the facts. Based on the jurisprudence, the CRA's position should not impact the Fund's ability to deduct interest on money borrowed to acquire income funds in the Portfolio. If the CRA's view were to prevail and apply to the Fund, part of the interest payable by the Fund on money borrowed under the Loan Facility to acquire certain income funds in the Indicative Portfolio could be non-deductible, increasing the net income of the Fund for tax purposes and the taxable component of distributions to Unitholders. Income of the Fund that is not distributed to Unitholders would be subject to non-refundable income tax in the Fund.

The Fund may be subject to "minimum tax" under the Income Tax Act. The Trustee will endeavour to manage the Fund in a manner such that the Fund will not be subject to minimum tax.

The Income Tax Act provides for a special tax on designated income of certain trusts which have designated beneficiaries. The Declaration of Trust prohibits ownership of Units by any person that would be a designated beneficiary for the purposes of the Income Tax Act.

12.0 REMUNERATION OF DIRECTORS, OFFICERS, IRC AND TRUSTEE

The Manager is paid the Management Fee as disclosed in section 8.1.1 of this Annual Information Form. The directors of the Manager and the IRC do not receive any fees from the Fund.

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. For the year ended December 31, 2015, members of the IRC were paid the following aggregate compensation: Mr. Crow: $29,662; Mr. Falconer: $24,012; Mr. Browning $24,012 and Mr. Wright $24,012.

As the Trustee is also the Manager, the Trustee, in its capacity as such, is not entitled to receive fees from the Fund but is entitled to be reimbursed by the Fund for all expenses which it reasonably incurs in connection with the activities of the Fund. No expenses were paid in 2015.

13.0 MATERIAL CONTRACTS

The Fund and/or the Manager, on behalf of the Fund, are party to the Declaration of Trust, the Management Agreement, the Portfolio Management Agreement, the Custodian Agreement and the Global Master Securities Lending Agreement (the “Prime Brokerage Agreement”). Copies of these material contracts may be accessed by prospective or existing Unitholders at www.sedar.com under the Fund’s profile. They are also available at the Fund’s office during normal business hours. Details regarding each of these contracts are provided in section 1.1 in the case of the Declaration of Trust, in section 13.1 in the case of the Prime Brokerage Agreement and in section 8 in the case of the other contracts.

13.1 Prime Brokerage Agreement

The Prime Brokerage Agreement was entered into on April 23, 2009 among the Fund, the Manager and RBC Investor Services Trust.

Pursuant to the agreement, the Prime Broker administers the Fund’s short selling, including locating securities to sell short and administering the process. The Prime Broker also provides the Fund with margin to execute certain trades and for operating expenses. In consideration for its services, the Fund pays to the Prime Broker such compensation as agreed upon in writing between the Manager and the Prime Broker from time to time.

Each party to the Prime Brokerage Agreement has the right to terminate the Prime Brokerage Agreement by giving not less than 15 Business Days’ notice in writing to the other party (specifying the date of termination) subject to an obligation to ensure all loans entered into as part of the Prime Brokerage Agreement but not discharged at the time the notice is given are duly discharged in accordance with the Prime Brokerage Agreement.

14.0 OTHER MATERIAL INFORMATION

14.1 Risk Factors

Certain risk factors relating to the Fund and the Units are described below. Additional risks and uncertainties not currently known to the Manager, or that are currently considered immaterial, may also impair the operations of the Fund. If any such risk actually occurs, the business, financial condition, liquidity or results of operations of the Fund and the ability of the Fund to make distributions on the Units, could be materially adversely affected.

General Risks of Investing in Bonds

Generally, Bonds will decrease in value when interest rates rise and increase in value when interest rates decline. The Net Asset Value of the Fund will fluctuate with interest rate changes and the corresponding changes in the value of the securities in the Portfolio. The value of Bonds is also affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness. Corporate Bonds may not pay interest or their issuers may default on their obligations to pay interest and/or principal amounts. Certain of the Bonds that may be included in the Portfolio from time to time may be unsecured, which will increase the risk of loss in case of default or insolvency of the issuer. Global financial markets have experienced a significant repricing since 2008 that has contributed to a reduction in liquidity and the availability of credit enhancing the likelihood of default by some issuers due to diminishing profitability or an inability to refinance existing debt.

Risks of Investing in High-Yield Bonds

High-Yield Bonds involve greater risks than do Investment Grade Bonds, including risks of default in the payment of interest and principal, lower recovery rates on a Bond that is in default and greater price changes due to such factors as general economic conditions and the issuer's creditworthiness. Such securities can be regarded as predominantly speculative, and involve certain risk exposure to adverse conditions and may be subject to substantial price volatility, especially during times of economic change. Lower rated Bonds may be less liquid than investment rated securities. During periods of thin trading, this spread between bid and ask prices is likely to increase significantly and the Manager may have difficulty selling such securities. There are no formal exchanges on which such High-Yield Bonds trade. Accordingly, there may be limited liquidity for holders of such Bonds.

Fluctuation in Value of Portfolio Securities

The value of the Units will vary according to the value of the securities included in the Portfolio. The value of the securities included in the Portfolio will be influenced by factors which are not within the control of the Fund or the Manager including the financial performance of the respective issuers, operational risks relating to the business activities of the respective issuers quality of assets owned by the respective issuers, commodity prices, risks associated with issuers operating outside of Canada, exchange rates, interest rates, environmental risks, political risks, issues relating to government regulation, credit markets and other financial market conditions.

Recent Global Financial Developments

Global financial markets experienced a sharp increase in volatility beginning in 2008. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities, contributing to a reduction in liquidity among financial institutions and a reduction in the availability of credit to those institutions and to the issuers who borrow from them. While central banks and governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. Some or all of these economies may experience significantly diminished growth and some or all may suffer a recession, the duration of which cannot be predicted. These market conditions and unexpected volatility or illiquidity in financial markets may also adversely affect the prospects of the Fund and the value of securities included in the Portfolio. A substantial decline in the North American equities markets could be expected to have a negative effect on the Fund.

Use of Short Selling and Leverage

Selling securities short may result in the loss of an amount greater than the amount invested since there is theoretically no limit to the price to which the securities that have been sold short may rise before the short position is closed out. The return to Unitholders may be adversely affected if the securities purchased with borrowed funds decline in value or securities that are sold short increase in value. In addition, a short sale entails the borrowing of the security and the supply of securities which can be borrowed in order to remain short fluctuates from time to time. There is no assurance that the strategy of selling Government Bonds short and investing the proceeds in additional Corporate Bonds will work to the benefit of Unitholders, and an increase in the spreads of Corporate Bonds over Government Bonds will adversely affect the potential benefit to Unitholders of this shorting strategy. There is no assurance that the lender of securities or financial instruments will not require the security to be repaid before the Manager wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In the event that numerous lenders of the security in the market simultaneously recall the same security, a ''short-squeeze'' may occur, whereby the market price of the borrowed security may increase significantly. The borrowing of securities entails the payment of a borrowing fee and payment of any interest paid on the security prior to closing the short position. There is no assurance that any borrowing fee will not increase during the borrowing period or that the Fund will have sufficient funds to pay interest on the securities to the lender, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace. The Manager may sell short Government Bonds with an aggregate sale price up to one-third of the Total Assets of the Fund (which equates to approximately one-half of the net assets of the Fund), however if such limits are exceeded the Manager will be required to sell Portfolio securities to reduce the outstanding short position, which may adversely affect the value of the Portfolio and the return to Unitholders. Additionally, to the extent the Manager employs short sales, the Portfolio will be leveraged, and if the Portfolio securities decrease in value, the leverage component of the Portfolio will cause a decrease in the Net Asset Value in excess of that which would otherwise be experienced.

No Assurance in Achieving Investment Objectives or Monthly Distributions

There is no assurance that the Fund will be able to achieve its Investment Objectives. Furthermore, there is no assurance that the Fund will be able to pay distributions in the short or long term, nor is there any assurance that the Net Asset Value will appreciate or be preserved. Changes in the relative weightings between the various types of securities making up the Portfolio can affect the overall yield to Unitholders.

Composition of Portfolio

The composition of securities included in the Portfolio taken as a whole may vary widely from time to time and may be concentrated by type of commodity, industry or geography, resulting in the securities included in the Portfolio being less diversified than anticipated. Overweighting investments in certain sectors or industries involves risk that the Fund will suffer a loss because of declines in the prices of securities in those sectors or industries.

Working Capital Facility

The Fund may borrow amounts from a working capital facility for short term funding purposes. A working capital facility, if any, may impose restrictions on the Fund. The Fund may not be able to obtain a working capital facility on acceptable terms, or at all.

Interest Rate Fluctuations

It is anticipated that the value for the Units at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the value of the Units. Unitholders who wish to redeem or sell their Units may, therefore, be exposed to the risk that the redemption price or sale price of the Units will be negatively affected by interest rate fluctuations.

Illiquid Securities

There is no assurance that an adequate market will exist for the securities included in the Portfolio and it cannot predict whether the securities included in the Portfolio will trade at a discount to, a premium to, or at their respective par or maturity values.

Use of Derivatives

The Fund may invest in and use derivative instruments for hedging purposes to the extent considered appropriate by the Manager taking into account factors including transaction costs. There can be no assurance that the Fund's hedging strategies will be effective. The Fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange- traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by the Fund of margin deposits in the event of the bankruptcy of the dealer with whom the Fund has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of the Fund to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the Fund is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the Fund's ability to use derivative instruments to effectively hedge its Portfolio.

Securities Lending

The Fund may engage in securities lending. Although the Fund will receive collateral for the loans and such collateral will be marked-to-market, the Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

Currency Exposure

As the Portfolio will be invested in securities traded in United States dollars, the Net Asset Value, when measured in Canadian dollars, will, to the extent this has not been hedged against, be affected by changes in the value of the United States dollar relative to the Canadian dollar. The Fund may not be fully hedged at all times and distributions received on the Portfolio may not be hedged and accordingly no assurance can be given that the Fund will not be adversely impacted by changes in foreign exchange rates or other factors. The use of hedges, if used, involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could reduce total returns or result in losses greater than if the hedging had not been used. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

Reliance on the Portfolio Manager

The Manager will manage the Portfolio in a manner consistent with the Investment Objectives and the Investment Restrictions of the Fund. The officer of the Portfolio Manager who is primarily responsible for the management of the Portfolio has extensive experience in managing investment portfolios, however there is no certainty that such individual will continue to be an employee of the Portfolio Manager until the termination of the Fund. The performance of the Fund (and therefore the return to Unitholders) will be dependent on the ability of the Portfolio Manager to successfully execute the Investment Strategy of the Fund.

Changes in Legislation

There can be no assurance that certain laws applicable to the Fund, including income tax laws, will not be changed in a manner which adversely affects the Fund and/or Unitholders.

Loss of Investment

An investment in the Fund is appropriate only for investors who have the capacity to absorb investment losses.

Conflicts of Interest

The Manager and its respective directors and officers engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of the Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors), or to manage the business and affairs of (in the case of officers) the Fund and the Manager, as applicable.

Status of the Fund

The Fund is not subject to the Canadian policies and regulations that apply to open-end mutual funds. It is not intended that the Fund will be a mutual fund trust for purposes of the Income Tax Act.

Not a Trust Company

The Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under provisions of that Act or any other legislation.

Nature of the Units

The Units are neither fixed income nor equity securities. The Units represent a fractional interest in the net assets of the Fund. Units are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

An investment does not constitute an investment by Unitholders in the securities included in the Portfolio. Unitholders will not own securities held by the Portfolio.

14.2 Accounting Changes

Beginning January 1, 2014, the Fund will prepare its annual financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and provide comparative statements on an IFRS basis, including an opening balance sheet as at January 1, 2013 (the transition date). The Fund will also report its interim financial statements for the period ending June 30, 2014, in accordance with IFRS.

The Manager has reviewed and developed its IFRS changeover plan, which included performing an impact assessment and identifying differences between existing Canadian generally accepted accounting principles ("GAAP") and IFRS. Management has monitored developments in IFRS and has assessed the likely impacts on accounting policies, implementation decisions, internal controls, information systems and training. Based on management's assessment to date, the more significant changes impacting the financial statements may be how the Fund measures fair values of its investments and the classification of Net Assets representing unitholders' equity. The Manager does not consider this to be a comprehensive list of the accounting changes required when the Fund adopts IFRS, but in the view of the Manager, they represent the key differences. The differences described in the sections that follow are based on Canadian GAAP as at December 31, 2013 and IFRS that are in effect as of January 1, 2014.

Under Canadian GAAP, the Fund measures the fair values of its investments in accordance with the CPA Canada Handbook Section 3855, Financial Instruments – Recognition and Measurement. This section requires the use of bid prices for the long positions and ask prices for the short positions to the extent such prices are available. In May 2011, the IASB issued IFRS 13, Fair Value Measurement, which defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. If an asset or a liability measured at fair value has a bid price and an ask price, it requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. The standard allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical means for fair value measurements within a bid-ask spread. The impact of this may result in the elimination of the differences between the transactional Net Asset Value and Net Assets at the financial statements reporting dates.

The Fund's outstanding redeemable unit entitlement includes a contractual obligation to deliver cash or another financial asset on the Fund's fixed termination date, and therefore the ongoing redemption feature is not the Fund's only contractual obligation. Consequently, the Fund's outstanding redeemable units will be classified as financial liabilities in accordance with the requirements of International Accounting Standard 32, Financial Instruments: Presentation. The impact of this standard is on classification and disclosure only and does not impact Net Assets per unit.

Management will continue to monitor the Fund's IFRS changeover plan to address the key elements of the IFRS conversion.

ANNUAL INFORMATION FORM FOR ASTON HILL MBB TRUST

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ADDITIONAL INFORMATION:

Additional information about the Fund is available in the Fund's management report of fund performance and financial statements, and copies of these documents may be obtained at no cost:

- By calling (416) 583-2300 or toll-free at 1-800-513-3868,
- Direct from your dealer, or
- By e-mail at info@astonhill.ca.

Copies of these documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's website at www.astonhill.ca or on SEDAR at www.sedar.com.