AstonHill
FINANCIAL

Management Discussion and Analysis

For the three and nine month period ended September 30, 2015

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated November 16, 2015 presents the financial condition, changes in financial condition and results of operations for Aston Hill Financial Inc. ("Aston Hill" or the "Company") and should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes of the Company for the three and nine month period ended September 30, 2015, as well as the audited consolidated financial statements for the year ended December 31, 2014. The historical information of the Company can be found on SEDAR under Aston Hill Financial Inc. Unless otherwise indicated, all dollar amounts in this MD&A are expressed in Canadian dollars.

Forward-looking statements

This MD&A may contain forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe", "will", "would", "aim", "may", "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, global financial markets, changes in government regulations, industry competition, technological developments and other factors described under "Risk Management" or discussed in other materials filed with applicable securities regulatory authorities from time to time. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry will remain stable and that interest rates will remain relatively stable. The reader is cautioned against undue reliance on these forward-looking statements.

Non-IFRS Financial Measures

The Company uses several non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes that these measures are useful to most shareholders, creditors, other stakeholders and investment analysts in analyzing Aston Hill's results. These non-IFRS financial measures should not be considered as an alternative to the Consolidated Net and Comprehensive Income or any other measure of performance under IFRS.

Assets Under Management

Any reference to Assets Under Management ("AUM") includes both managed and sub-advised closed end and open end mutual funds, hedge funds, separately managed accounts, brokerage accounts, structured products, pooled assets, and oil and gas properties under administration. Separately managed accounts, brokerage accounts, structured products, and oil and gas properties under administration are grouped together as other assets. The Company believes that AUM is a valuable performance indicator for users of the MD&A as it presents assets under management at a point in time. The movement in AUM throughout the reporting period and from period to period generally drives the revenue of the Company.

Average Assets Under Management

Any reference to Average AUM includes both managed and sub-advised closed end and open end mutual funds, hedge funds, separately managed accounts, brokerage accounts, structured products, pooled assets, and oil and gas properties under administration. Average AUM refers to the three month average of the AUM balance. It can be used to better facilitate the understanding of the revenue trend in the period.

EBITDA

Aston Hill uses EBITDA (earnings before interest, taxes, depreciation and amortization) as a measure of operating performance to assess its underlying profitability prior to the impact of financing expenses, income taxes, amortization of deferred sales commissions, depreciation of property and equipment and amortization of intangible assets with finite life. EBITDA can be used to facilitate valuation or can be used as a substitute for cash flow and permits comparisons of companies within the industry before any distortion caused by different financing methods and levels of taxation.

Adjusted EBITDA

In addition to EBITDA as described above, Aston Hill further adjusts EBITDA ("adjusted EBITDA") by excluding share based compensation, restructuring costs and net losses (profits) on investments in order to provide users with the earnings before non-cash and non-recurring transactions which management considers to be a meaningful measure of its operations.

EBITDA Margin

Aston Hill uses EBITDA Margin as a measure of operating performance in relation to total revenue as it excludes interest, taxes, depreciation and amortization, which provides another measure of the Company's profitability for the period. It is presented as EBITDA as a percentage of total revenue for the period.

Pre-Tax Operating Earnings and Pre-Tax Operating Earnings Per Share

Aston Hill uses pre-tax operating earnings to assess its underlying profitability before income taxes, excluding service fee revenue, non-cash management fees, performance fees and investment gains, investment losses, amortization of deferred sales commissions, depreciation of property and equipment, amortization of intangible assets with finite life and share based compensation. The total pre-tax operating earnings per period is divided by the total weighted average basic shares outstanding for the period.

Material Contracts

This MD&A refers from time to time to material contracts which can be found under Aston Hill Financial Inc. at SEDAR.com.

Overview

Aston Hill is a publicly traded corporation listed on the Toronto Stock Exchange (the "TSX") under the symbol "AHF" and is incorporated under the Business Corporations Act of Alberta. The primary business focus of the Company is the management of investment funds. In addition, Aston Hill's services also include high net worth investment management, institutional investment management, portfolio advisory services and other fee based investment products in Canada. For operational and management purposes, the Company is organized into operating segments based on its products and services and has two reportable segments.

a) Asset management, which includes management, sub-advisory services and administration services for the Company's funds under management.

b) Brokerage, which consists of brokerage services.

During the three month period ended September 30, 2015, financial results were impacted by the following:

- Gross open end mutual fund sales totaled $33.0 million in the third quarter of 2015. Redemptions during the quarter totaled $186.0 million, which resulted in net redemptions of $153.0 million. The remaining change in open end mutual fund AUM was due to market performance in the quarter.

- Managed closed end funds AUM decreased by $174.0 million during the quarter as a result of redemptions and changes in market value.
- Restructuring costs of $632,000 were paid in the quarter, reducing the provision recorded as at June 30, 2015. The restructuring costs arose through the cost cutting initiatives to consolidate certain corporate functions from the Calgary office to the Toronto office.
- The decrease in average AUM for closed end mutual funds and open end mutual funds contributed $0.8 million of the $1.3 million decrease in revenue for the third quarter of 2015. In addition, brokerage commissions decreased by $0.2 million and revenue from performance fees was $0.1 million lower than the previous quarter.
- Revenue from management fees as a percentage of total revenue was 82% for the period ended September 30, 2015, compared to 68% in the prior year.
- Sub-advisory revenue as a percentage of total revenue was 4% compared to 21% in the prior year due to the non-renewal of the IA Clarington sub-advisory agreement and the termination of the sub-advisory relationship with CIBC.
- Other revenue and income as a percentage of total revenue was 8% compared to 5% in the prior year.
- Salaries and wages decreased by $0.3 million compared to the prior quarter as the benefits of the restructuring in the third quarter, announced on June 30, 2015, begin to be realized.
- The Company completed a non-brokered private placement of 13,302,000 units at a purchase price of $0.45 per unit, for total proceeds of $6.0 million. Of this total issue, 4,889,000 units were issued on October 2, 2015. Consideration of $0.5 million, received prior to September 30, 2015, but included in the amount issued on October 2, 2015 is recorded as a liability to issue equity as at September 30, 2015.
- The Company repurchased 675,000 common shares through its normal-course issuer bid for a total transaction cost of $217,000 excluding commission expenses.

Financial Portfolio Management, Advisory and Brokerage

Aston Hill Asset Management Inc. (“AHAM”), is a Toronto-based registered Investment Fund Manager (“IFM”) specializing in the development, sales, and management of closed end investment funds, open end funds and hedge funds.

AHAM manages the Aston Hill Group of Funds and has sub-advisory relationships with First Asset Management Inc. (“First Asset”), Newport Private Wealth Inc. (“Newport”), and BMO Nesbitt Burns (“BMO”). Six licensed portfolio managers, including Ben Cheng, Barry A. Morrison, Andrew Hamlin, Vivian Lo, Darren Cabral and John Kim in the Toronto office, are responsible for managing the portfolios of the Financial Portfolio Management and Advisory division of Aston Hill as of September 30, 2015.

AHF Capital Partners (“AHFCP”) manages and provides sub-advisory services for four funds included in the Company’s AUM. AHFCP has one licensed portfolio manager, Alexander (Sandy) Liang in the Toronto office. AHFCP is 49% owned by RJT Capital Inc., a related party that represents the non-controlling interest.

Aston Hill Capital Markets Inc. (“AHCM”) is a Canadian structured financial products company focused on creating and managing closed end investment funds. AHCM manages a group of closed end funds and has a sub-advisory relationship with BMO. AHCM is 20% owned by two directors and current executives of AHCM which represent the non-controlling interest.

Aston Hill Securities Inc. (“AHS”) is an investment dealer, and a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Canadian Investor Protection Fund (“CIPF”). AHS provides professional, personalized trading and investment services to private investors.

Business Drivers

Aston Hill's revenues are derived mainly from management fees, calculated as a percentage of daily average net asset value ("NAV") for funds under management. The AUM balance presented for each period end represents the ending NAV for funds under management. Management fees generally correlate with the trend in average AUM, however, total revenue for management fees may deviate as a result of volatile daily average NAV within the reporting period. In addition, open end funds and closed end funds command different annual management fee rates for each fund. Open end funds generally have annual management fee rates that range from 1% (100 bps) to 2% (200 bps), while closed end funds average below 1% (100 bps). As such, movement within open end fund average daily NAV would generate greater fluctuation in management fee revenue. The sub-advisory fees are based on the aggregate net asset value of the sub-advisory funds at set percentage rates ranging from 0.15% (15 bps) to 0.5% (50 bps) and are recognized on an accrual basis. Brokerage revenue encompasses brokerage fees, investment management fees, and trading commissions, which are recognized as the related services are performed. The Company may also earn other income or incur losses from its cash balances and its investments, if any, which include newly seeded portfolios.

Aston Hill's expenses include salaries and benefits (which contain an incentive component that may fluctuate based on the overall performance of the Company), product development, general and administrative expenses, share based compensation, depreciation of property and equipment, amortization of finite life intangible assets, amortization of deferred sales commissions and trailer fees. Trailer fees are paid on the subscription of certain open end funds and therefore increases with an increase in open end fund sales.

Net additions or net withdrawals of client capital, acquisitions, as well as investment performance are the main factors that impact AUM. Aston Hill's goal is to attract and retain investors through its expertise in liquid alternative strategies, income and structured products, as well as its commitment by its staff to provide excellent customer service. The wealth of knowledge accumulated by management and the investment team in this space has allowed for an expansion of revenue lines in the open end fund, closed end fund, sub-advisory and administrative services sector.

Market Outlook and Business Environment

Market Outlook

Market volatility continued from the summer months through to September as worries about global growth, commodities and weakening macro data persisted, plus the Fed's decision not to hike rates towards the end of the quarter introduced an added layer of uncertainty for many investors. Even though recently Fed governors have talked about a rate increase, it may just not be in the cards this year. Overall growth, while anemic, appears to be holding firm. Auto sales continue to surprise to the upside. Housing is firming and there continues to be improvements in the overall labour market. While it does not appear that the consumer is contributing its massive savings from energy to consumption, there is little doubt that the increased savings rate is putting the consumer balance sheet on much stronger footing. Without signs that real economic activity has been impacted by this financial market distress, we continue to see support for owning high quality companies in this environment. While we remain cautious in the short term, we continue to work under the belief the U.S., China, Europe, and the global economy as a whole will not enter another recession any time soon.

Business Outlook

2015 has likely been the most significant year in the Company's history. The on-going investments that have been made to create an expansive retail distribution platform and complete changes in the internal infrastructure provide the opportunity to drive meaningful profitability and growth in our proprietary products. Combined with the recent senior management changes, corporate reorganization, and cost cutting initiatives, management feels the Company is in a solid position to achieve this growth.

The Company cites several initiatives forming part of its broader corporate restructuring completed throughout 2015, including:

- Non-renewal of the sub-advisory agreement with IA Clarington, allowing for Ben Cheng to manage funds for Aston Hill exclusively for the first time beginning as of November 2, 2015.
- Completion of a non-brokered private placement of approximately $6 million at $0.45/share and a premium to the then current stock price.
- Continued cost cutting initiatives and focus on managing the Company's cost structure, including the Partial Redemption of $6 million in Debentures.
- Completion of the consolidation of corporate functions from the Calgary office to the Toronto office, which is expected to save over $2 million per year.
- Closure of the Calgary office and transition to a new executive team all based in Toronto.
- Peter Anderson joining the firm as Interim CEO, taking an active role in the direction and growth of Aston Hill in the Company's continued effort to expand its in-house liquid alternative products. Mr. Anderson's career includes serving as President and Chief Executive Officer of CI Investments as well as Chief Investment Officer of CI Financial Inc. for over 15 years.
- Clearly defining its product line-up, which is focused on liquid alternative funds, including the November 2015 launch of a new mutual fund, the Aston Hill High Income Fund.

Subsequent to September 30, 2015, the Company announced the approval of amendments to the 6% convertible unsecured subordinated debentures due July 31, 2016 (see “Subsequent Events” for further details). The approval of these amendments are an important component of the Company’s recapitalization initiatives, which formed part of the broader corporate reorganization. With these initiatives complete, the Company can focus on executing its strategic business plan and increasing marketing and sales efforts, including its strategies specifically focused on Ben Cheng, as he commenced managing investment funds exclusively for Aston Hill for the first time starting on November 2, 2015.

Effective November 2, 2015, Mr. Cheng was appointed portfolio manager for the new Aston Hill High Income Fund, to which he will combine his 25 years of income-focused investing experience with the use of liquid alternative strategies – including options and shorting, within regulatory limitations – to provide downside protection and generate additional income. Additionally, Mr. Cheng will join as co-manager on the Aston Hill Global Growth & Income Fund alongside current portfolio manager, Vivian Lo.

Operating Highlights

Assets under Management, Advisory and Other

Total AUM, which includes closed end and open end mutual funds, hedge funds, separately managed accounts, structured products, pooled assets, and oil and gas properties under administration is summarized below:

(in millions of Canadian dollars)	**September 30, 2015**	June 30, 2015	December 31, 2014	September 30, 2014
Assets Under Management , Advisory, Brokerage and Other				
Managed funds				
Open end funds	**$ 976**	$ 1,147	$ 1,061	$ 1,054
Closed end funds	**1,171**	1,345	1,453	1,619
Hedge funds	**27**	41	28	23
Total Aston Hill managed funds	**$ 2,174**	$ 2,533	$ 2,542	$ 2,696
Sub-advised funds				
Open end funds	**92**	571	2,847	3,311
Closed end funds	**91**	107	127	200
Total sub-advised funds	**$ 183**	$ 678	$ 2,974	$ 3,511
Other assets	**317**	368	407	506
Brokerage	**351**	416	331	340
Total Assets under Management, Advisory, Brokerage and Other	**$ 3,025**	$ 3,995	$ 6,254	$ 7,053

Average Assets under Management, Advisory and Other

Average AUM is calculated over three months of the quarter. Average AUM includes closed end and open end mutual funds, hedge funds, separately managed accounts, structured products, pooled assets, and oil and gas properties under administration is summarized below:

(in millions of Canadian dollars)	**September 30, 2015**	June 30, 2015	December 31, 2014	September 30, 2014
Average Assets Under Management , Advisory, Brokerage and Other				
Managed funds				
Open end funds	**$ 1,002**	$ 1,163	$ 1,070	$ 1,033
Closed end funds	**1,250**	1,415	1,504	1,756
Hedge Funds	**28**	40	26	22
Total Aston Hill managed funds	**$ 2,280**	$ 2,618	$ 2,600	$ 2,811
Sub-advised funds				
Open end funds	**$ 97**	$ 594	$ 3,023	$ 3,399
Closed end funds	**97**	111	144	202
Total sub-advised funds	**$ 194**	$ 705	$ 3,167	$ 3,601
Other assets	**330**	379	438	533
Brokerage	**375**	420	335	275
Total Average Assets under Management, Advisory, Brokerage and Other	**$ 3,179**	$ 4,122	$ 6,540	$ 7,220

For the quarter ended September 30, 2015 compared to the prior quarter:

- AUM for Aston Hill managed funds decreased by $359.0 million from the prior quarter. Open end funds had gross sales of $33.0 million in the third quarter of 2015. This positive growth was netted against redemptions of $186.0 million in open end mutual funds, of which $113.0 million came in July of 2015, the first month after the Company announced its cost cutting initiatives and the departure of a portfolio manager. Closed end mutual fund AUM decreased by $174.0 million due to redemptions of $87.0 million and market performance. Hedge fund AUM decreased by $14.0 million compared to the prior quarter due to redemptions of $14.0 million, gross sales of $0.3 million, and market performance.
- Sub-advised funds decreased from the prior quarter by $495.0 million mainly as a result of the termination of the sub-advisory relationship with CIBC.
- The net decrease in the AUM of other assets was $51.0 million from the prior quarter. The termination of the administrative services contract with Argent Energy Trust ("Argent") in the middle of the quarter resulted in a decrease of $15.0 million. The remaining decrease was mostly due to market performance.
- Brokerage AUM decreased by $65.0 million in the quarter, with $26.0 million of the decrease due to transfers out and the remaining decrease as a result of market performance.

For the quarter ended September 30, 2015 compared to the same period in the prior year:

- AUM for Aston Hill managed funds decreased by $522.0 million from the same quarter in the prior year. Open end mutual fund AUM decreased by $78 million. Sales efforts in 2014 and 2015 drove $389.0 million in sales, offset by redemptions of $492.0 million, of which $186.0 million occurred in the third quarter of 2015. Closed end fund AUM decreased by $448.0 million as a result of redemptions and market performance in the last quarter of 2014 and the first three quarters of 2015. Hedge fund AUM increased by $4.0 million compared to the same period in the prior year.
- Sub-advised funds decreased from the same period in the prior year by $3.3 billion mainly as a result of the non-renewal of the sub-advisory relationship with IA Clarington in the first quarter of 2015 and the end of the sub-advisory relationship with CIBC in the third quarter of 2015.
- The net decrease in the AUM of other assets was $189.0 million. Of this amount, $124.0 million can be attributed to the reduction in Argent's valuation. The administrative services contract with Argent ended in mid-August 2015. The remaining decrease is mainly a result of a decrease in the AUM of pension management assets.
- The $11.0 million increase in Brokerage AUM can be attributed to the recruitment of two investment advisors during the first quarter of 2015 who brought $77.0 million in assets to AHS. This was partially offset by decreases in assets held by the brokerage business throughout the last quarter of 2014 and the first three quarters of 2015.

AUM Reconciliation

The Company has provided an AUM reconciliation of total Aston Hill managed funds. The beginning of period balance refers to December 31, 2014. Complete information for sub-advised funds were not readily available for reconciliation purposes:

Aston Hill Managed Funds AUM Reconciliation **(in millions of Canadian dollars)**	Open end funds September 30, 2015	Closed end funds September 30, 2015	Hedge funds September 30, 2015
Assets Under Management - Beginning of Period	$ 1,061	$ 1,453	$ 28
Subscriptions	293	-	17
Redemptions	(408)	(176)	(18)
Investment performance	30	(106)	-
Assets Under Management - End of Period	$ 976	$ 1,171	$ 27

Other Assets **(in millions of Canadian dollars)**	Other Assets September 30, 2015
Assets Under Management - Beginning of Period	$ 407
Subscriptions	17
Redemptions	(16)
Investment performance	(91)
Assets Under Management - End of Period	$ 317

Brokerage **(in millions of Canadian dollars)**	Brokerage September 30, 2015
Assets Under Management - Beginning of Period	$ 331
Client assets transferred in	85
Client assets transferred out	(41)
Investment performance	(24)
Assets Under Management - End of Period	$ 351

Breakdown of Managed and Sub-Advised Funds, Assets Under Administration and Flow Through Limited Partnerships

Financial Portfolio Management:

Closed end funds:

- Aston Hill Advantage Bond Fund
- Aston Hill Advantage Oil & Gas Income Fund
- Aston Hill Advantage VIP Income Fund
- Aston Hill VIP Income Fund
- Australian Banc Capital Securities Trust
- Australian Banc Income Fund
- Canadian 50 Advantaged Preferred Share Fund
- Canadian Banc Capital Securities Trust
- Euro Banc Capital Securities Trust
- Hbanc Capital Securities Trust
- Low Volatility Canadian Equities Income Fund
- Macquarie Emerging Markets Infrastructure Income Fund
- Macquarie Global Infrastructure Income Fund
- North American Financials Capital Securities Trust
- U.S. Agency Mortgage Backed REIT Advantaged Fund
- Voya Diversified Floating Rate Senior Loan Fund
- Voya Floating Rate Senior Loan Fund
- Voya Global Income Solutions Fund
- Voya High Income Floating Rate Fund

Mutual funds:

- Aston Hill Canadian Total Return Fund & Class
- Aston Hill Energy Growth Class
- Aston Hill Global Growth & Income Fund & Class
- Aston Hill Global Resource & Infrastructure Fund & Class
- Aston Hill Global Resource Fund
- Aston Hill Growth & Income Fund & Class
- Aston Hill High Income Fund & Class
- Aston Hill Milennium Fund
- Aston Hill Strategic Yield Fund & Class
- Aston Hill Total Return Fund & Class
- Aston Hill US Conservative Growth Fund & Class
- Aston Hill Voya Floating Rate Income Fund

Hedge funds:

- Aston Hill Opportunities Fund
- AHF Credit Opportunities Fund

Financial Portfolio Advisory:

Closed end funds:

- Star Yield Trust
- First Asset Preferred Investment Fund
- Coxe Global Agribusiness Income Fund
- US Housing Recovery Fund

Mutual funds:

- Lonsdale Balanced Tactical Fund
- Newport Yield Fund

Flow Through Limited Partnerships:

- Aston Hill Energy 2014 FT Limited Partnership

Financial Highlights

Financial Highlights

(in thousands, except assets under management and per share amounts)					
	As at September 30, 2015	As at June 30, 2015	As at September 30, 2014	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$ 3.03**	$ 4.00	$ 7.05	-24%	-57%
Total assets	**93,996**	92,185	97,575	2%	-4%
Shares outstanding	**96,474**	89,538	89,297	8%	8%

For the three months ended	**September 30, 2015**	June 30, 2015	September 30, 2014	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 8,508**	$ 9,820	$ 12,423	-13%	-32%
Total expenses excluding finance expense	**7,355**	11,614	10,370	-37%	-29%
Total finance expense	**1,116**	1,092	1,077	2%	4%
(Loss) income before income taxes	**$ 37**	$ (2,886)	$ 976	101%	96%
Income tax (recovery) expense	**$ 87**	$ (975)	$ 625	109%	86%
Net (loss) income	**$ (50)**	$ (1,911)	$ 351	97%	-114%
Net income to non-controlling interest	**195**	164	266	19%	-27%
Net (loss) income to controlling interest	**$ (245)**	$ (2,075)	$ 85	88%	-388%
Per share - Basic	**$ (0.003)**	$ (0.023)	$ 0.001	87%	-400%
Per share - Diluted	**$ (0.003)**	$ (0.023)	$ 0.001	87%	-400%
Cash dividends declared per share	**$ 0.005**	$ 0.005	$ 0.015	0%	-67%
EBITDA	**$ 2,034**	$ (1,019)	$ 2,796	300%	-27%
Weighted average shares outstanding	**91,703**	89,617	89,327	2%	3%

For the three month period ended September 30, 2015 compared to the prior quarter:

- Total revenue decreased by $1.3 million from the prior quarter. The decrease is mainly attributable to a decrease of $0.8 million in management fees from open end and closed end funds due to lower AUM, offset by $0.1 million increase in low load redemption fees from the prior quarter. In addition, brokerage commissions decreased by $0.2 million, and the end of the sub-advisory relationship with CIBC resulted in a $0.1 million decrease from the prior quarter. Further, the administrative services contract with Argent ended in mid-August 2015 which contributed $0.1 million of the decrease.
- Total expenses excluding finance expense decreased by $4.3 million from the prior quarter. This decrease can mainly be attributed to the $3.6 million in restructuring costs expensed in the prior period due to the planned consolidation of the Calgary office functions with the Toronto office, announced on September 30, 2015. The restructuring costs include an onerous contract for the Calgary office space under lease, termination and related post-employment benefits, and legal and other costs.

- If the restructuring costs and finance expense are excluded from total expenses, there was a net decrease in expenses of $0.7 million from the prior quarter. Salary and wages decreased by $0.3 and general and administrative expenses decreased by $0.8 million, as the benefits of the restructuring began to be realized in the third quarter of 2015. The overall cost reduction was partially offset by the decrease in net gains on investments of $0.4 million.
- The decrease in general and administrative expenses of $0.8 million included a decrease of $0.2 million due to expenses incurred in the prior quarter for the launch of several funds and a fund conversion, a $0.2 million decrease in consulting expenses, and a $0.1 million decrease in marketing expenses. In addition, rent expense for the quarter was $0.1 million lower as this amount reduced the provision for the onerous contract as it was expensed in the restructuring costs recognized in the second quarter.
- EBITDA increased by $3.0 million from the prior quarter which, in addition to the factors previously outlined, can be mainly attributed to the restructuring costs of $3.6 million expensed in the prior quarter.

For the three month period ended September 30, 2015 and the same period in the prior year:

- Revenue decreased by $3.9 million, with approximately half of the decrease as a result of the end of the sub-advisory relationship between Aston Hill and IA Clarington on February 13, 2015. In the third quarter of 2014, the Company earned $2.0 million from the IA Clarington sub-advisory relationship. $1.3 million of the remaining decrease in revenue is attributed to the decrease in closed end fund management fees due to redemptions in the last quarter of 2014 and the first three quarters of 2015. A further decrease of $0.8 million is attributable to decreases across several revenue streams including sub-advisory, brokerage, pension management, oil & gas administration, consulting fees and performance fees. The decreases were partially offset by an increase of $0.2 million in low load redemption fees received by the Company.
- Total expenses excluding finance expense decreased by $3.0 million compared to the same quarter in the prior year. Salary and wages in the third quarter of 2014 were $2.0 million higher. Broker and sales commissions decreased due to lower activity in the current quarter. In addition, every quarter, an employee incentive provision is calculated based on year to date EBITDA. The amount recorded in the third quarter of 2015 was $0.6 million lower than the same quarter in the prior year. Salary and wages expense for the third quarter of the prior year included a one-time employee compensation cost. Net losses on investments decreased by $1.0 million.
- EBITDA decreased by $0.8 million from the same period in the prior year. The decrease can mostly be attributed to the decrease in revenue of $3.9 million, offset by the decrease in salary and wages expenses of $2.0 million and the $1.0 million decrease in net losses on investments.
- Net loss to controlling interest was $0.2 million (-$0.003 per share) for the three months ended September 30, 2015 compared to the net income to controlling interest of $0.1 million ($0.001 per share) for the prior year. The decrease of $0.3 million was the result of the factors discussed above.

Financial Highlights

(in thousands except assets under management and, per share amounts)		As at September 30, 2015		As at September 30, 2014	% change year-over-year
Assets under management (in billions)	$	3.03	$	7.05	-57%
Total assets		93,996		97,575	-4%
Shares outstanding		96,474		89,297	8%

For the nine months ended		September 30, 2015		September 30, 2014	% change year-over-year
Total revenues	$	29,015	$	35,680	-19%
Total expenses excluding finance expense		28,643		29,422	-3%
Total finance expense		3,234		3,175	2%
(Loss) Income before income taxes	$	(2,862)	$	3,083	-193%
Income tax (recovery) expense*		(928)		1,445	-164%
Net (loss) income*	$	(1,934)	$	1,638	-218%
Net income to non-controlling interest		560		732	-23%
Net (loss) income to controlling interest*	$	(2,494)	$	906	-375%
Per share - Basic*	$	(0.028)	$	0.010	-380%
Per share - Diluted*	$	(0.028)	$	0.010	-380%
Cash dividends recorded per share	$	0.025	$	0.045	-44%
EBITDA	$	2,731	$	8,363	-67%
Weighted average shares outstanding		90,135		89,617	1%

For the nine month period ended September 30, 2015 compared to the prior year:

- Total revenue decreased by $6.7 million from the same period in the prior year. The decrease is mainly attributable to the end of the sub-advisory relationship between Aston Hill and IA Clarington on February 13, 2015 as the Company earned $6.0 million in the prior year from IA Clarington, compared to $0.9 million in the current year. Management fees from closed end mutual funds were $2.7 million lower than the prior year, offset by a $2.0 million increase in open end mutual fund management fees and a $0.3 million increase in redemption fees. Administration revenue from Argent decreased by $0.7 million, as the enterprise value on which the administrative revenue was based decreased throughout the year. Further, the administrative services contract with Argent ended in mid-August 2015. The termination of the sub-advisory relationship with CIBC during the quarter contributed $0.2 million of the decrease.

- Expenses excluding finance expense decreased by $0.8 million from the same period in the prior year. Increases in restructuring costs of $3.6 million, legal fees of $0.5 million, and fund issuance expenses of $0.4 million, were offset by a $2.0 million decrease in salary and wages expense and a $3.0 million decrease in the net loss on investments.

- EBITDA decreased by $5.6 million mainly as a result of lower revenues of $6.7 million, offset by the decrease in expenses excluding finance expense of $0.8 million.

- Net loss to controlling interest for the nine months ended September 30, 2015 was $2.5 million compared to net income to controlling interest of $0.9 million in the prior year. This decrease in net income is mainly attributable to the decrease in revenue of $6.7 million and the decrease in expenses excluding finance expense of $0.8 million. The increase in the net loss before tax gave rise to an income tax recovery of $0.9 million for the nine months ended September 30, 2015, compared to a $1.6 million income tax expense in the prior year. The Company had a net loss per share of $0.028 compared to the earnings per share of $0.010 in the prior year.

Results of Operations

Pre-Tax Operating Earnings

(in thousands of Canadian dollars, except per share amounts)	Quarter ended			Nine months ended	
	September 30, 2015	June 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
Income (loss) before income taxes	**$ 37**	$ (2,886)	$ 976	**$ (2,862)**	$ 3,083
Less:					
Performance fee revenue	**-**	(112)	(71)	**(309)**	(80)
Add:					
Net (gains) losses on investments	**(863)**	(1,243)	141	**(2,385)**	574
Amortization of deferred sales commissions	**560**	453	326	**1,394**	892
Amortization of intangibles - finite life	**250**	250	298	**750**	897
Depreciation of property and equipment	**71**	72	119	**215**	316
Share based payments expense	**280**	97	173	**552**	883
Pre-tax operating earnings (loss)	$ 335	$ (3,369)	$ 1,962	**$ (2,645)**	$ 6,565
Per share	0.004	(0.038)	0.022	**$ (0.029)**	$ 0.073

For the three months ended September 30, 2015:

Pre-tax operating earnings, as set out in the table above, were $0.3 million for the quarter ended September 30, 2015, which was a $3.7 million increase from the prior quarter, and a $1.6 million decrease from the same period in the prior year. The change in pre-tax operating earnings can mainly be attributed to the decrease in revenue, excluding performance fees, of $1.2 million and the restructuring costs of $3.6 million expensed in the prior quarter. In addition, general and administrative expenses, and salary and wages expense, decreased by $0.8 million and $0.3 million respectively.

The change from the same period in the prior year is mainly due to the decrease in revenue, excluding performance fees, of $3.8 million, offset by the decrease in salary and wages expenses of $2.0 million.

For the nine months ended September 30, 2015:

Pre-tax operating earnings decreased by $9.2 million, from prior year pre-tax operating earnings of $6.6 million to a $2.6 million loss. This can mainly be attributed to the $6.9 million decrease in revenue, excluding performance fees, of which $5.0 million is due to the decrease in sub-advisory fee revenue as the Company did not renew its sub-advisory relationship with IA Clarington. In addition, an increase in general and administrative costs of $1.4 million, and the restructuring costs of $3.6 million expensed during the year contributed to the overall decrease. This was offset by a $2.0 million decrease in salary and wages expense, and a $0.7 million reduction in sub-advisory expense.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per share amounts)								
Three months ended,	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013
Revenues	**$ 8,508**	$ 9,820	$ 10,687	$ 11,740	$ 12,423	$ 12,181	$ 11,076	$ 11,447
Expenses								
Salaries and wages	**2,776**	3,073	3,768	3,294	4,800	3,350	3,509	3,742
General and administrative	**1,805**	2,564	2,902	2,150	1,552	2,101	2,209	2,796
Restructuring costs	**-**	3,618	-	-	-	-	-	-
Sub-advisory expense	**1,045**	1,047	1,018	1,126	1,257	1,285	1,253	1,229
Product development	**155**	215	(95)	131	199	143	135	200
Share based compensation	**280**	97	175	222	173	351	359	128
Depreciation of property & equipment	**71**	72	72	105	119	109	88	133
Amortization of intangible assets - finite	**250**	250	250	299	298	299	300	480
Amortization of deferred sales commissions	**560**	453	381	355	326	307	259	178
Trailer fees	**1,258**	1,444	1,465	1,533	1,499	1,360	1,102	894
Commissions	**18**	24	19	28	6	47	53	45
Net (gains) losses on investments	**(863)**	(1,243)	(280)	54	141	141	292	195
Finance expense	**1,116**	1,092	1,026	1,098	1,077	834	1,264	1,152
Total expenses	**$ 8,471**	$ 12,706	$ 10,701	$ 10,395	$ 11,447	$ 10,327	$ 10,823	$ 11,172
Income (loss) before income taxes	**37**	(2,886)	(14)	1,345	976	1,854	253	275
Income taxes*	**87**	(975)	(40)	433	625	560	260	486
Net (loss) income for the period*	**$ (50)**	$ (1,911)	$ 26	$ 912	$ 351	$ 1,294	$ (7)	$ (211)
Net income (loss) to non-controlling interest	**195**	164	201	338	266	267	199	270
Net (loss) income to controlling interest*	**$ (245)**	$ (2,075)	$ (175)	$ 574	$ 85	$ 1,027	$ (206)	$ (481)
Net (loss) income - per share - basic*	**$ (0.003)**	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011	$ (0.002)	$ (0.006)
Net (loss) income - per share - diluted*	**$ (0.003)**	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011	$ (0.002)	$ (0.006)

**Through the preparation of the Condensed Interim Consolidated Financial Statements for the quarter ending September 30, 2014, a prior period deferred tax error was identified in relation to the initial treatment of the convertible debentures that were issued on July 27, 2011. IAS 12.23 specifies that at the time of the initial recognition of convertible debentures, the issuer is required to recognize a deferred tax liability on the equity component by charging the deferred tax directly to the carrying amount of the equity component. The deferred tax liability on the equity component of the convertible debentures was not recognized at the time of issuance.*

In the third quarter of 2014 and at the prior year end, the Company has assessed for materiality in accordance with IAS 1 and has concluded that it was not material to any of the prior period Consolidated Financial Statements or to the trend in earnings. As such, Aston Hill considered the effects of the prior year misstatements and has revised its comparative Consolidated Financial Statements as initially reported, to correct for the recognition of the deferred tax liability. The comparative deferred tax expense, net income (loss) for the period and net income (loss) to controlling interest were the only financial line items that were impacted by the change. Please refer to note 4 of the Consolidated Financial Statements for the year ended December 31, 2014 for illustrations of the effect of this correction on individual financial statement line items.

The revision had no impact on the Company's revenue, cash flow from operating activities, operating expenses and net income before tax.

Revenue

	For the quarter ended				
(in thousands of Canadian dollars)	**September 30, 2015**	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Revenue					
Management fees					
Open end funds	**$ 3,864**	$ 4,331	$ 4,300	$ 4,102	$ 3,948
Closed end funds	**3,101**	3,392	3,370	3,651	4,353
Hedge Funds	**85**	102	95	77	65
Total management fees	**$ 7,050**	$ 7,825	$ 7,765	$ 7,830	$ 8,366
Sub-advisory fees					
Open end funds	**$ 254**	$ 361	$ 1,250	$ 2,139	$ 2,382
Closed end funds	**107**	120	128	154	217
Total sub-advisory fees	**$ 361**	$ 481	$ 1,378	$ 2,293	$ 2,599
Other revenue and income	**627**	814	814	884	729
Brokerage	**470**	700	730	733	729
Total revenue	**$ 8,508**	$ 9,820	$ 10,642	$ 11,710	$ 12,400

	For the quarter ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Fees as a percentage of total revenue					
Management fees					
Open end funds	**45%**	44%	40%	35%	32%
Closed end funds	**36%**	35%	32%	31%	35%
Hedge Funds	**1%**	1%	1%	1%	1%
Total management fees	**82%**	80%	73%	67%	68%
Sub-advisory fees					
Open end funds	**3%**	4%	12%	18%	19%
Closed end funds	**1%**	1%	1%	1%	2%
Total sub-advisory fees	**4%**	5%	13%	19%	21%
Other revenue and income*	**8%**	8%	7%	8%	5%
Brokerage	**6%**	7%	7%	6%	6%
Percentage of total revenue	**100%**	100%	100%	100%	100%

	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Fees as a percentage of average AUM					
Management fees					
Open end funds	**1.54%**	1.49%	1.58%	1.53%	1.53%
Closed end funds	**0.99%**	0.96%	0.91%	0.97%	0.99%
Hedge Funds	**1.21%**	1.01%	1.04%	1.18%	1.19%
Sub-advisory fees					
Open end funds	**1.05%**	0.24%	0.39%	0.28%	0.28%
Closed end funds	**0.44%**	0.43%	0.42%	0.43%	0.43%
Other revenue	**0.50%**	0.75%	0.79%	0.78%	0.53%
Brokerage fees*	**0.50%**	0.67%	0.75%	0.88%	1.06%
Total revenue as a percentage of total average AUM	**1.12%**	0.97%	0.90%	0.71%	0.67%

* Other revenue and total revenue percentages do not include effect of low load redemption fees classified as other income.

** Brokerage fees are not directly driven by average AUM.

For the quarter ended September 30, 2015 compared to the prior quarter:

Total management fees are driven by the average AUM in the quarter as well as the management fee rate. Total management fees decreased by $0.8m, or 10%, for the quarter. The fees as a percentage of average AUM remained relatively consistent for management fees quarter over quarter.

Total sub-advisory fees in the quarter decreased by $0.1 million. The sub-advisory contract with CIBC ended in June, however management fees from the arrangement continued to be received through to mid-August, resulting in the $0.1 million decrease in revenue, and explaining the increase in open end fund sub-advisory fees as a percentage of average AUM. The closed end sub-advisory fees remained consistent from the prior quarter.

Other revenue decreased by $0.2 million, mainly attributable to a decrease in performance fees of $0.1 million and a $0.1 million decrease due to the termination of the administrative services contract with Argent in mid-August.

Other revenue as a percentage of average AUM decreased due to the decrease in performance fees in the current quarter.

Brokerage fees decreased by $0.2 million compared to the prior quarter due to decreased activity in the quarter.

For the quarter ended September 30, 2015 compared to the same period in the prior year:

Total management fees decreased by $1.3 million, or 16%. Open end fund management fees were relatively consistent compared to the prior year. The decrease in the closed end fund management fees was a result of the large redemptions that occurred in the fourth quarter of 2014 and further redemptions during 2015. Total management fee revenue as a percentage of average AUM remained relatively consistent.

Total sub-advisory fees in the quarter decreased by $2.2 million as a result of the non-renewal of the IA Clarington sub-advisory relationship on February 13, 2015. The fee as a percentage of average AUM for the open end sub-advisory fees was higher in the current quarter due to the end of the sub-advisory relationship with CIBC.

Other revenue decreased by $0.1 million. Consulting fees decreased by $0.1 million due to the non-renewal of the IA Clarington sub-advisory relationship. The remaining decrease is attributable to lower performance fee revenue in the quarter and the termination of the administrative services contract with Argent. Offsetting this, was an increase in low load redemption fees of $0.1 million.

Brokerage revenue decreased by $0.3 million in the current quarter compared to the same period in the prior year.

EBITDA

(in thousands of Canadian dollars, except per share amounts)	Three months ended			Nine months ended	
	September 30, 2015	**June 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Net (loss) income for the period	**$ (50)**	$ (1,911)	$ 351	**$ (1,934)**	$ 1,638
Add (deduct):					
Finance expense	**1,116**	1,092	1,077	**3,234**	3,175
Income tax expense	**87**	(975)	625	**(928)**	1,445
Amortization of intangible assets - finite	**250**	250	298	**750**	897
Amortization of deferred sales commissions	**560**	453	326	**1,394**	892
Depreciation of property and equipment	**71**	72	119	**215**	316
EBITDA	$ 2,034	$ (1,019)	$ 2,796	**$ 2,731**	$ 8,363
EBITDA Per diluted share	$ 0.022	$ (0.011)	$ 0.031	**$ 0.030**	$ 0.092
EBITDA margin (as a % of revenue)	24%	-10%	23%	**13%**	23%
Restructuring costs	**-**	3,618	-	**3,618**	-
Net (gains) losses on investments	**(863)**	(1,243)	141	**(2,386)**	574
Share based compensation	**280**	97	173	**552**	883
Adjusted EBITDA	$ 1,451	$ 1,453	$ 3,110	**$ 4,515**	$ 9,820
Adjusted EBITDA Per diluted share	$ 0.016	$ 0.016	$ 0.017	**$ 0.050**	$ 0.108
Adjusted EBITDA margin (as a % of revenue)	17%	15%	25%	**16%**	27%

For the three months ended September 30, 2015:

EBITDA for the quarter ended September 30, 2015 was $2.0 million ($0.022 per share) compared with an EBITDA loss of $1.0 million (-$0.011 per share) for the prior quarter and EBITDA of $2.8 million ($0.031 per share) for the quarter ended September 30, 2014. The change in EBITDA can mainly be attributed to the decrease in revenue of $1.3 million and the restructuring costs of $3.6 million expensed in the prior quarter. In addition, general and administrative expenses, and salary and wages expense, decreased by $0.8 million and $0.3 million respectively. Further, the net gain on investments decreased by $0.4 million.

The decrease of 27% in EBITDA from the same quarter in the prior year is mainly attributable to the decrease in revenue of $3.9 million, offset by the decreases in salary and wages expense of $2.0 million and an increase in net gains on investments of $1.0 million. In addition, general and administrative expenses were $0.3 million lower in 2014, primarily due to an insurance recovery in 2014.

EBITDA as a percentage of total revenues (EBITDA margin) for the quarter was 24%, compared to -10% from the prior quarter and 23% from the same quarter last year. The increase in the EBITDA margin was the result of the decrease in expenses, spurred by the previously announced cost cutting initiatives, as well as gains on investments, more than offsetting the decrease in revenues in the quarter.

For the nine months ended September 30, 2015:

EBITDA for the nine months ended September 30, 2015 was $2.7 million ($0.030 per share) compared with EBITDA of $8.4 million ($0.092 per share) in the prior year. The 67% decrease from the prior year can mainly be attributed to the $6.7 million decrease in revenue, of which $5.0 million is due to the decrease in sub-advisory fee revenue as the Company did not renew its sub-advisory relationship with IA Clarington. In addition, an increase in general and administrative costs of $1.4 million, and the restructuring costs of $3.6 million expensed during the year contributed to the overall decrease. This was offset by a $2.0 million decrease in salary and wages expense, and a $0.7 million reduction in sub-advisory expense. Further, in the current year, net gains on investments were $2.4 million, an increase of $3.0 million from the prior year net losses on investments of $0.6 million.

EBITDA as a percentage of total revenues (EBITDA margin) for the nine months ended September 30, 2015 was 13%, compared to 23% from the prior year. The decrease in EBITDA margin was the result of the decrease in revenue in the year, partially offset by a decrease in expenses.

Asset Management Segment Disclosure

Asset management segment	**Three months ended**			**Nine months ended**	
(in thousands of Canadian dollars)	**September 30, 2015**	**June 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenues	$ 8,013	$ 9,095	$ 11,694	$ 27,067	$ 34,045
Expenses					
Salaries and wages	$ 2,388	$ 2,483	$ 4,361	$ 7,853	$ 10,558
General and administrative	1,702	2,466	1,521	6,922	5,495
Restructuring costs	-	3,618	-	3,618	-
Sub-advisory expense	1,045	1,047	1,257	3,110	3,795
Product development	155	215	199	275	477
Share based compensation	280	97	173	552	883
Depreciation of property & equipment	71	72	119	215	316
Amortization of intangible assets - finite	250	250	298	750	897
Amortization of deferred sales commissions	560	453	326	1,394	892
Trailer fees	1,258	1,444	1,499	4,167	3,961
Commissions	18	24	6	61	106
Net (gains) losses on investments	(703)	(1,061)	111	(1,896)	680
Finance expense	1,116	1,092	1,077	3,234	3,175
Total expenses	$ 8,140	$ 12,200	$ 10,947	$ 30,255	$ 31,235
Net (loss) income before income taxes	$ (127)	$ (3,105)	$ 747	$ (3,188)	$ 2,810
Income taxes (recovery) expense	$ 42	$ (1,036)	$ 575	$ (1,018)	$ 1,395
Net (loss) income for the period	(169)	(2,069)	172	(2,170)	1,415
Net income (loss) to non-controlling interest	195	164	266	560	732
Net (loss) income to controlling interest	$ (364)	$ (2,233)	$ (94)	$ (2,730)	$ 683

For the quarter ended September 30, 2015 compared to the prior quarter:

Revenues

Total revenue was $8.0 million for the quarter ended September 30, 2015, a decrease of $1.0 million or 12% from the $9.1 million in the prior quarter due to the decrease in average AUM. The decrease is mainly attributable to a decrease of $0.8m in management fees from open end and closed end funds due to lower AUM. The end of the sub-advisory relationship with CIBC resulted in a $0.1 million decrease from the prior quarter. Further, the administrative services contract with Argent ended in mid-August 2015 which contributed $0.1 million of the decrease.

Expenses

Total expenses decreased by $4.1 million compared to the prior quarter due to:

- The restructuring costs of $3.6 million expensed in the prior quarter, in relation to the consolidation of the Calgary office functions with the Toronto office.
- The decrease in general and administrative expenses of $0.8 million included a decrease of $0.2 million due to expenses incurred in the prior quarter for the launch of several funds and a fund conversion, a $0.2 million decrease in consulting expenses, and a $0.1 million decrease in marketing expenses. In addition, rent expense for the quarter was $0.1 million lower as this amount reduced the provision for the onerous contract as it was expensed in the restructuring costs recognized in the second quarter.
- Sub-advisory expense remained consistent quarter over quarter despite the decrease in average AUM for closed end funds, as the funds that had the largest redemptions were internally managed and therefore the decrease in AUM did not drive a decrease in sub-advisory expenses.
- Share based compensation expense increased quarter over quarter by $0.2 million. This was a result of grants in the current quarter for stock options and the deferred equity plan being at lower fair values, as a result of the lower share price in 2015.
- Depreciation of property and equipment and amortization of intangible assets – finite life remained consistent quarter over quarter.
- Amortization of deferred sales commissions increased by $0.1 million in the current quarter as a result of additions in the quarter.
- Finance expense and commissions remained consistent with the prior quarter.
- Trailer fees are paid on open end mutual fund subscriptions, therefore, there is a general correlation with the movement in the AUM of open end mutual funds. Based on the purchase option selected by the investor, in the third quarter of 2015, trailer fees decreased by $186,000 from the prior quarter, while gross sales decreased from $167.0 million to $35.0 million.
- The Company saw a net gain on investments for the quarter of $0.7 million compared to the net gain of $1.0 million in the prior quarter. This included an unrealized loss on fair value of financial assets through profit or loss of $0.2 million. In addition, a change in the fair value of the forward purchase contract liability resulted in an unrealized gain of $0.8 million.
- The net loss before taxes for the quarter ended September 30, 2015 was $0.1 million which was $3.0 million lower than the loss in the prior quarter.

For the quarter ended September 30, 2015 compared to the same period in the prior year:

Revenues

Total revenue was $8.0 million for the quarter ended September 30, 2015, a decrease of $3.7 million or 31% from the $11.7 million in the same quarter in the prior year due to the decrease in average AUM. The main reason for the decrease in revenue is due to the non-renewal of the IA Clarington sub-advisory relationship. The remaining decrease in revenue was mostly due to the decrease in closed end fund management fees as the associated average AUM decreased and the $0.7 million decrease in administration revenue from Argent, partially offset by an increase in open end mutual fund management fees. The termination of the sub-advisory relationship with CIBC during the quarter contributed $0.2 million of the decrease.

Expenses

Total expenses decreased by $2.8 million compared to the same period in the prior year due to:

- Salaries and wages decreased by $2.0 million due to lower bonus provisions than in the prior year and a one-time employee compensation cost in the third quarter of the prior year.
- General and administrative expenses decreased by $0.2 million compared to the same quarter in the prior year primarily due to a $0.3 million reduction in marketing expenses and $0.3 million decrease in consulting expenses, offset by an increase of $0.4 million in other operating expenses due to an insurance recovery recognized in the same quarter of the prior year.
- Sub-advisory expense decreased by $0.2 million due to lower average AUM for closed end funds for the quarter, as external sub-advisors are paid a percentage of the management fee charged by the Company. The closed end funds had redemptions in the last quarter of 2014 and the first three quarters of 2015.
- Product development expenses remained consistent with the prior year.
- Share based compensation expense decreased by $0.1 million. Although there were grants in the current year for stock options and the deferred equity plan, they were granted at lower fair values, as a result of the lower share price in 2015.
- Depreciation of property and equipment and amortization of intangible assets – finite life remained consistent quarter over quarter.
- Amortization of deferred sales commissions increased by $0.2 million in the current quarter as a result of additions throughout the latter half of 2014 and the first nine months of 2015.
- Finance expense remained consistent quarter over quarter.
- Commissions remained consistent with the prior year.
- Trailer fees are paid on open end mutual fund subscriptions, therefore, there is a general correlation with the movement in the AUM of open end mutual funds. Based on the purchase option selected by the investor, the annual rate can be a maximum of 1% of the net asset value of the fund in which the investor is invested. For the third quarter of 2015, trailer fees decreased by $241,000 from the same period in the prior year, in correlation with a decrease in gross sales from $120.0 million to $35.0 million and due to the purchase options selected by the investors.

- The Company saw a net gain on investments for the quarter of $0.7 million compared to the net loss of $0.1 million in the same period in the prior year. This included an unrealized loss on fair value of financial assets through profit or loss of $0.2 million. In addition, a change in the fair value of the forward purchase contract liability resulted in an unrealized gain of $0.8 million. The fair value of the forward purchase contract is directly impacted by the share price of AHF.

The net loss before taxes for the quarter ended September 30, 2015 was $0.1 million which was a $0.9 million increase from the same period in the prior year.

For the nine months ended September 30, 2015, compared to the same period in the prior year:

Revenues

Total revenue was $27.1 million for the nine months ended September 30, 2015, a decrease of $7.0 million or 20% from the $34.0 million in the same period in the prior year, due to the decrease in average total AUM. The main reason for the decrease in revenue is due to the non-renewal of the IA Clarington sub-advisory relationship in the first quarter of 2015. The remaining decrease in revenue was mostly due to the change in closed end fund management fees as the associated average AUM decreased quarter over quarter, offset by an increase in management fees from open end mutual funds. Other factors as previously discussed also contributed to the decrease in revenue compared to the same period in the prior year.

Expenses

Total expenses decreased by $1.0 million for the nine months ended September 30, 2015 compared to the same period in the prior year due to:

- The restructuring costs of $3.6 million, in relation to the announced consolidation of the Calgary office functions with the Toronto office that were expensed in the prior quarter.
- A decrease in salaries and wages for the Company of $2.7 million, as the bonus provision for employees was lower during 2015 as a result of corporate initiatives, and a one-off employee compensation cost in the third quarter of the prior year.
- General and administrative expenses increased by $1.4 million in the current period. The prior period included an insurance recovery of $0.5 million related to the compliance fee paid in relation to the non-renewal of the sub-advisory relationship with IA Clarington. Legal fees increased by $0.5 million in 2015 due to various corporate initiatives. The launch of new funds and fund conversions in the current year contributed $0.4 million of the increase.
- Sub-advisory expense decreased by $0.7 million due to the decrease in closed end funds average AUM for the quarter, as external sub-advisors are paid a percentage of the advisory revenue charged by the Company.
- Year to date product development expense decreased by $0.2 million primarily as a result of a $0.1 million recovery in the first quarter of 2015. Based on the early stage of development of some of the Company's investment funds, the Company feels it is in its best interest to bear the burden of some of these fund expenses to maintain the management expense ratio of each of its primary funds at an acceptable level.
- Share based compensation expense decreased by $0.3 million from the same period in the prior year due to the first tranche of the deferred equity plan vesting. In addition, forfeitures in the first half of 2015 also contributed to the lower share based compensation expense. Although there were grants in the current year for stock options and the deferred equity plan, they were granted at lower fair values than the vested tranches, as a result of the lower share price in 2015.

- Depreciation of property and equipment and amortization of intangible assets – finite life decreased by $0.1 million year to date compared to the prior year as the net book value is decreasing.
- Deferred sales commissions amortization increased by $0.5 million year to date due to the higher opening deferred sales commission balance.
- Finance expense remained consistent compared to the same period in the prior year.
- Commissions remained relatively consistent compared to the same period in the prior year.
- Trailer fees are paid on open end mutual fund subscriptions, therefore, there is a general correlation with the movement in the AUM of open end mutual funds. Based on the purchase option selected by the investor, the annual rate can be a maximum of 1% of the net asset value of the fund in which the investor is invested. For the nine months ended September 30, 2015, trailer fees increased by $0.2 million from the same period in the prior year despite a decrease in mutual fund gross sales and due to the purchase option selected by the investor.
- The Company saw a net gain on investments for the nine months ended September 30, 2015 of $1.9 million compared to the net loss of $0.7 million in the same period in the prior year. The large fluctuation from the prior year was mainly a result of the change in fair value of the forward purchase contract which is directly correlated with the share price of AHF.
- The net loss before taxes for the nine months ended September 30, 2015, was $3.2 million, which was a $6.0 million or 213% decrease from the same period in the prior year.

Brokerage Segment Disclosure

Brokerage Segment	Three months ended			Nine months ended	
(in thousands of Canadian dollars)	**September 30, 2015**	**June 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
Revenues	$ 495	$ 725	$ 729	$ 1,949	$ 1,635
Expenses					
Salaries and wages	388	590	439	1,764	1,101
General and administrative	103	98	31	349	367
Net (gains) losses on investments	(160)	(182)	30	(489)	(106)
Total expenses	$ 331	$ 506	$ 500	$ 1,624	$ 1,362
Net income (loss) before income taxes	$ 164	$ 219	$ 229	$ 325	$ 273
Income taxes expense (recovery)	$ 45	$ 61	$ 50	$ 90	$ 50
Net income (loss) for the period	$ 119	$ 158	$ 179	$ 235	$ 223
Net income (loss) to non-controlling interest	-	-	-	-	-
Net income (loss) to controlling interest	$ 119	$ 158	$ 179	$ 235	$ 223

For the quarter ended September 30, 2015 compared to the prior quarter:

Revenues

Total revenue from the brokerage segment relates to brokerage fees and was $0.5 million for the quarter ended September 30, 2015, a decrease of $0.2 million or 32% from the previous quarter. Revenues from this segment are client driven and based on activity. Activity was lower in the third quarter, resulting in reduced revenue.

Expenses

- Salaries and wages decreased by $0.2 million, mainly due to lower payroll costs and lower commissions paid, and also due to reduced activity, in the quarter.
- General and administrative expenses remained consistent with the prior quarter.

Net income before taxes for the quarter ended September 30, 2015, decreased by $0.1 million or 25%.

For the quarter ended September 30, 2015 compared to the same period in the prior year:

Revenues

Total revenue from the brokerage segment relates to brokerage fees and decreased by $0.3 million from the same quarter in the prior year as a result of additional client portfolios.

Expenses

- Salaries and wages decreased by $0.1 million from the same period in the prior year. The increase is attributable to lower payroll costs and broker commissions paid.
- General and administrative expenses remained consistent.
- Net profits on investments were $0.3 million lower in 2015.

Net income before taxes for the quarter ended September 30, 2015, decreased by $0.1 million primarily as a result of the decrease in revenue.

For the nine months ended September 30, 2015, compared to the prior year:

Revenues

- Total revenue increased by $0.3 million or 19% for the nine months ended September 30, 2015. The increase can mainly be attributed to the increase in average brokerage AUM from $275.0 million in the prior year to $375.0 million, which is a change of 36%. Although brokerage revenue is not directly driven by AUM, the movement in AUM signifies that assets from client portfolios have been transferred to AHS, therefore driving an overall increase in potential revenues.

Expenses

- Total salaries and wages increased by $0.7 million. A portion of the increase was due to the recruitment of two brokers in the first quarter of 2015 which resulted in a $0.2 million recruitment fee. Further, $0.1 million of a deferred recruitment bonus payable in 2016 was amortized in the nine months ended September 30, 2015. The remaining $0.4 million of the increase was mainly due to an increase in commission revenue earned compared to the prior year. The brokers are paid a percentage of the commission revenue earned. The increase in revenue was 20% and the increase in salaries and wages, excluding the $0.3 million in recruitment bonus, was 29%.
- Total general and administrative expenses were relatively consistent with the prior year.
- Net gains on investments increased by $0.4 million compared to the same period in the prior year.

Net loss before taxes for the nine months ended September 30, 2015, was $0.3 million, which is consistent with the same period in the prior year.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	September 30, 2015	December 31, 2014
Working capital*	**(28,031)**	12,031
Total assets	**93,996**	97,884
Long term debt (convertible debentures)*	**-**	38,087

*As at September 30, 2015, the convertible debentures were classified as a current liability. Subsequently, on October 29, 2015, the Company announced the approval of the amendments in regards to the 6% convertible unsecured subordinated debentures due July 31, 2016 (see "Subsequent Events" for further details). As of November 16, 2015, the date the amendments take effect, the convertible debentures are classified as a long term liability.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. In addition to the Company's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's marketable securities, accounts receivable, and its revolving credit facility. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change.

Four of the Company's subsidiaries are subject to externally imposed capital requirements. AHAM, AHCM and AHFCP are registered with the Ontario Securities Commission ("OSC") as Investment Fund Managers. AHS is a broker dealer registered with the Investment Industry Regulatory Organization of Canada ("IIROC"). AHAM, AHCM and AHFCP are each currently required to maintain minimum working capital of $100,000, plus $100,000 deductible under their respective bonding insurance policies. AHS is required to maintain a level of Risk-Adjusted Capital greater than $nil in accordance with such requirements as IIROC may from time to time prescribe. In the event of non-compliance, these subsidiaries are required to file additional financial information and to review their policies and procedures for compliance with securities law and to file a compliance report.

At September 30, 2015, the Company and its subsidiaries were in compliance with all externally imposed capital requirements.

Year to date additions to property and equipment amounted to $0.1 million (September 30, 2014 - $0.2 million). Aston Hill's policies and procedures related to the management of capital are described in the audited Consolidated Financial Statements for the year ended December 31, 2014, in note 13.

For the nine month period ended September 30, 2015, the Company paid $2.3 million of cash dividends compared to $4.1 million in the same period of the prior year.

Financing costs paid on convertible debentures remained relatively consistent year over year at $2.4 million and $2.5 million, respectively, as the principal amount of convertible debentures did not change significantly. Subsequent to September 30, 2015, the Company announced the approval of the amendments in regards to the 6% convertible unsecured subordinated debentures due July 31, 2016 (see "Subsequent Events" for further details). Prior to the approval of the amendments, the convertible debentures were due to mature on July 31, 2016 and, as such, are classified as a current liability as of September 30, 2015. As of November 16, 2015 the convertible debentures have been classified as a long term liability.

Aston Hill paid deferred sales commissions of $0.7 million in the nine month period ended September 30, 2015, compared to $1.8 million in the same period of the prior year. This is a result of incremental sales on the Aston Hill open end funds under the low-load deferred sales charge option. This option was created in 2011 as a sales incentive on specified series of units or shares in certain funds.

Aston Hill has mitigated liquidity risk by renewing the revolving line of credit as of July 27, 2015. As at September 30, 2015, the Company had $6.0 million of the revolving line of credit available. Subsequent to September 30, 2015, the borrowing limit decreased to $4.0 million and the terms of the revolving line of credit were amended. Refer to "Subsequent Events" for a description of the amended terms.

The following table outlines the future cash outflows that Aston Hill has committed to:

Commitments

(in thousands of Canadian dollars)								
As at September 30, 2015								
		Total	2015	2016	2017	2018	2019	Thereafter
Financial liabilities:								
Trade and other payables		$ 3,177	$ 2,957	$ 220	$ -	$ -	$ -	$ -
Convertible debentures	-principal	40,036	-	40,036	-	-	-	-
	-interest	1,202	-	1,202	-	-	-	-
Operating leases		3,915	466	809	576	578	542	944
Forward purchase contract		1,972	-	1,637	-	335	-	-
		$ 50,302	**$ 3,423**	**$ 43,904**	**$ 576**	**$ 913**	**$ 542**	**$ 944**

*Subsequent to September 30, 2015, the Company announced the approval of the amendments in regards to the 6% convertible unsecured subordinated debentures due July 31, 2016 (see "Subsequent Events" for further details). The future cash outflows presented in this table relate to the cash out flows committed in respect of the convertible debentures as at September 30, 2015.

Summary Balance Sheet Data

(in thousands of Canadian dollars)				
		September 30, 2015		December 31, 2014
Current assets	**$**	**17,878**	$	20,077
Non current assets		**76,118**		77,807
Total Assets	**$**	**93,996**	$	97,884
Current liabilities	**$**	**45,909**	$	8,035
Non current liabilities		**12,812**		53,724
Total Liabilities	**$**	**58,721**	$	61,759
Non-controlling interest		**249**		233
Shareholders' equity		**35,026**		35,892
Total Liabilities & Shareholders' Equity	**$**	**93,996**	$	97,884

*As at September 30, 2015, the convertible debentures were classified as a current liability. Subsequently, on October 29, 2015, the Company announced the approval of the amendments in regards to the 6% convertible unsecured subordinated debentures due July 31, 2016 (see "Subsequent Events" for further details). As of October 29, 2015, the convertible debentures are classified as a long term liability.

The balance sheet for Aston Hill at September 30, 2015, reflects total assets of $94.0 million, a decrease of $3.9 million from December 31, 2014. The decrease can mainly be attributed to the decrease in cash of $2.4 million as a result of the bonus provision payment to employees, the payment of interest expense and the dividend payment in the quarter. The Company acquired $2.5 million in marketable securities during the first three quarters which increased the Investments at fair value through profit or loss. In addition, trade and other receivables decreased by $1.5 million to $3.7 million. The Company also paid installments for current income taxes during the period which resulted in a current income tax receivable balance of $0.5 million.

Total liabilities decreased by $3.0 million to $58.7 million, at September 30, 2015, from $61.8 million at December 31, 2014. The primary contributor to this decrease was due to the payment of the bonus provision of $3.2 million and a current and deferred tax recovery of $0.9 million in the first three quarters of 2015. In addition, the convertible debenture liability decreased in the current quarter due to the interest payment on the convertible debenture, which reduced the interest accrual. The change in fair value for the forward purchase contract liability of $2.0 million also contributed to the decrease in total liabilities. This was netted against the increase in provisions resulting from the $3.6 million restructuring costs incurred in the second quarter of 2015, of which $2.8 million remains in the provision balance as at September 30, 2015.

On July 27, 2015, the revolving line of credit was extended to April 27, 2016, and the credit limit was extended from $4.0 million to $6.0 million. Currently, the Company has $nil drawn on the revolving line of credit. Subsequent to September 30, 2015, the borrowing limit decreased to $4.0 million and the terms of the revolving line of credit were amended. Please refer to "Subsequent Events" for a description of the amended terms.

Aston Hill's annualized debt-to-EBITDA ratio excluding convertible debentures as at September 30, 2015, was 0.0 to 1.0. Aston Hill is within its financial covenants with respect to its credit facility, which requires that the debt-to-EBITDA ratio remain below 1.2 to 1.0, mutual fund AUM not fall below $0.75 billion, and AUA (Assets Under Administration) not fall below $2.25 billion. Please refer to the prior section, *Liquidity and Capital Resources*, for a description of the financial covenants pursuant to the revolving credit facility as amended on October 28, 2015.

Shareholders' equity decreased by $0.9 million during the nine month period ended September 30, 2015. The net decrease is mainly attributable to cash and non-cash dividends paid of $2.3 million, NCIB repurchases of $0.5 million, and a net loss of $2.5 million, netted against the non-brokered private placement of $3.8 million and restricted shares vested of $0.3 million.

Controls and Procedures

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all information required to be disclosed by the Company is recorded, processed, summarized and reported within required time periods and that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and the Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management of the Company has ensured that internal controls over DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer by others, and information required to be disclosed by the Company in its interim and annual filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal controls over financial reporting ("ICFR") have been designed using the Committee of Sponsoring Organizations ("COSO") 2013 framework in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. For the period ended September 30, 2015, there have been no changes in ICFR that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management of the Company has evaluated the design and operations of its DC&P and ICFR (as defined under National Instrument 52-109) as of September 30, 2015, under the supervision of the Chief Executive Officer and the Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the DC&P and ICFR were properly designed and operating effectively as of September 30, 2015.

Risk Management

For a full understanding of the risks that impact Aston Hill, the following discussion should be read in conjunction with the Company's 2014 annual Consolidated Financial Statements.

Aston Hill is exposed to a number of risks through the pursuit of our strategic objectives as listed below:

- Exposure to the securities market
- Credit risk
- Concentration risk
- Investment performance of the funds
- Competitive pressures
- Rapid growth or decline in our AUM
- Sufficiency of insurance
- Changes to the investment management industry regulations
- Dependence on senior management
- Commitment of key personnel
- Employee errors or misconduct
- Capital requirements
- Litigation risks
- General business risk and liability
- Failure by the Company to implement effective information security policies, procedures and capabilities
- Failure by the Company to implement effective and efficient technologies
- Failure to develop effective business resiliency plans and information technology recovery plans
- Failure to comply with government regulations

The foregoing risk factors are mitigated to the extent possible and practical from a cost and perceived benefit perspective by senior management's direct involvement in the day-to-day operation of the business. Senior management meets on a regular basis to address any concerns with the risks discussed above as well as managing any new risks which may arise through business. Financial information as well as in-depth analysis are reviewed by management on a monthly and quarterly basis and therefore mitigate risks in employee and reporting errors. Aston Hill maintains appropriate internal controls and procedures to safeguard assets, control expenses and ensure that financial reporting is accurate and reliable.

Some of these risks impact the investment industry as a whole, and others are unique to our operations. Actively managing these risks improves our ability to effectively execute our business strategy. Our risks have not changed substantially since December 31, 2014. A more in-depth discussion of material risk factors affecting the Company can be found in our annual Consolidated Financial Statements for the year ended December 31, 2014.

Related Party Transactions

a) The funds under management are considered to be related parties to the Company's subsidiaries who manage them. As such, the managers of the funds receive management fees and pay for expenses incurred by its various funds under management in accordance with the terms outlined in the applicable prospectus. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with the prospectus of the funds.

Accounts receivable as at September 30, 2015 consist of $3.5 million (December 31, 2014 - $3.6 million) in management fees, and other amounts due from funds under management. Trade and other payables as at September 30, 2015 includes $0.5 million (December 31, 2014 - $0.3 million) in amounts due to funds under management.

For the three and nine months ended September 30, 2015, $7.0 million (September 30, 2014 - $9.2 million) and $23.0 million (September 30, 2014 - $25.2 million) was recorded as revenue in respect of these management and other fees. In addition, for the three and nine months ended September 30, 2015, the Company absorbed $0.2 million (September 30, 2014 - $0.2 million) and $0.3 million (September 30, 2014 - $0.5 million), respectively, of expenses incurred by funds under management.

b) As of May 21, 2014, Argent is no longer considered to be a related party as key management personnel of Aston Hill ceased to perform key management personnel services to Argent, however all income statement transactions incurred up to this date are considered to be related party transactions. The transactions discussed below for the current year relate to the period in which Argent was considered a related party.

i) For the three and nine months ended September 30, 2015, $nil of the total administrative revenue (September 30, 2014 - $nil and $0.7 million, respectively), was considered to be related party. For the three and nine months ended September 30, 2015, $nil (September 30, 2014 – $nil and $0.3 million, respectively) in salary & overhead recoveries for shared overhead costs that have been reimbursed by Argent was considered to be related party.

As at September 30, 2015, $nil (December 31, 2014 - $nil) of the accounts receivable balance is considered to be related party.

ii) On August 10, 2012, 210,000 restricted trust units receivable were granted with a par value of $10.00 per unit to the Company for services rendered under the Contract (note 20(b)). 70,000 restricted trust units vest per year. On August 10, 2013, the Company was paid $784,000 to settle the first vested tranche of restricted trust units receivable. As Argent is no longer considered to be a related party post May 21, 2014, only revenue recorded before that day is disclosed in the prior year comparative balances. For the three and nine months ended September 30, 2015, $nil (September 30, 2014 – gain of $nil and a gain of $24,000) was recorded as related party revenue.

As at September 30, 2015, $nil (December 31, 2014 - $nil) of the short term restricted trust units receivable balance is considered to be related party.

c) RJT Capital Inc. ("RJT") is a company which owns 49% of the outstanding shares of AHFCP, a subsidiary of the Company. RJT is paid a consulting fee for management services performed for AHFCP.

In addition, payments of expenses are centralized and paid out of Aston Hill, as such RJT reimburses AHF for any expenses paid on behalf of the subsidiary which were paid by the Company. As at September 30, 2015, $nil (December 31, 2014 - $18,000) of trade and other receivables relate to RJT for operating expenses incurred on behalf of the subsidiary which were paid by the Company. As at September 30, 2015, $0.1 million (December 31, 2014 - $0.1 million) of trade and other payables related to the consulting fee payable to RJT. Total three and nine month consulting fees incurred up to September 30, 2015 were $0.2 million (September 30, 2014 - $0.4 million) and $1.0 million (September 30, 2014 - $0.9 million), respectively.

d) As at September 30, 2015, $3.3 million (December 31, 2014 - $1.9 million) of the financial assets at fair value through profit or loss are related to investments provided by the Company to provide capital to new funds, including initial seed capital, that are managed by the Company. As these funds are managed by the Company's subsidiaries, they are considered to be related party. For the three and nine months ended September 30, 2015, $0.2 million (September 30, 2014 - $0.1 million of net losses) and $0.2 million (September 30, 2014 - $0.2 million of net gains) of the net loss on investments recorded during the period was related to these investments in funds under management.

All related party transactions are in the normal course of operations and have been measured at the agreed to exchange amounts, which is the amount of consideration established and agreed to by the related parties.

Subsequent Events

On October 29, 2015, holders of the 6.00% extendible convertible unsecured debentures approved several amendments. The amendments extended the maturity date of the convertible debentures from July 31, 2016 to January 31, 2019; reduced the conversion price from $2.55 per share to $0.65 per share; increased the interest rate payable from 6.00% to 6.50% per annum; and other than with respect to the partial redemption described below, restrict the company from exercising its right to redeem any convertible debentures until July 31, 2017.

In conjunction with the amendments, the Company intends to exercise its right to redeem an aggregate principal amount of approximately $6 million debentures in cash on a pro-rata basis. The partial redemption will occur on November 16, 2015, for debenture holders of record on November 10, 2015.

Effective from October 28, 2015, the Revolving Facility has a borrowing limit of $4,000,000 and the following terms:

Total Debt/EBITDA	**Bankers acceptances**	**Prime**	Standby Fee
Less than or equal to 1:1	+2.50%	+1.50%	0.625%
Greater than 1:1	+2.75%	+1.75%	0.688%

The Revolving Facility, as amended, requires that the total senior debt to earnings before interest, taxes, depreciation and amortization remains below 1.2 to 1; that Aston Hill's assets under management for mutual funds do not fall below $0.65 billion, and that assets under management for mutual funds plus assets under administration do not fall below $2.25 billion.

On October 15, 2015, the Company renewed its notice of intention to make a normal course issuer bid for a portion of its common shares and 6% extendible convertible unsecured subordinated debentures. Aston Hill intends to acquire up to 6,377,576 common shares and $3,980,000 principal amount of convertible debentures in the 12-month period commencing October 20, 2015 and ending on October 19, 2016, which represents 10% of the public float of outstanding common shares and convertible debentures, respectively, as of October 6, 2015.

Significant Accounting Policies & Estimates

The unaudited interim condensed consolidated Financial Statements for the period ended September 30, 2015, have been prepared in accordance with IFRS. The accounting policies followed are the same as those applied in the Company's annual Consolidated Financial Statements for the period ended December 31, 2014, except for any changes due to new standards being adopted on January 1, 2015. For a discussion of all significant accounting policies, please refer to note 3 of the December 31, 2014, Notes to the Consolidated Financial Statements. Also included in the Notes to the Consolidated Financial Statements is note 5 which includes a discussion on the determination of the fair values of the Company's investments.

In accordance with IAS 8, the Company accrued a fund compliance expense based on reasonable estimates in the fourth quarter of 2013. During the third quarter of 2014, the compliance expense was substantially recovered through insurance which resulted in a change of estimate. The recovery was not recorded until the third quarter of 2014 as the Company did not have virtual certainty of the insurance recovery until September 2014. Note 26 of the audited Consolidated Financial Statements dated December 31, 2014, includes a discussion on the change in estimate for a compliance expense that was accrued at December 31, 2013, and substantially recovered through insurance in the third quarter of 2014.

Included in the deferred tax provision for the prior year is a change in estimate recorded in the third quarter for a deferred tax asset on a capital loss carry forward, for which the Company considers that the realization of the tax benefit through the use of available capital gains against the capital losses is less probable than not due to current market conditions. Please refer to note 26 of the December 31, 2014, audited annual Consolidated Financial Statements for further discussion.

Management assesses operating and reportable segments on an annual basis. This assessment follows the principles of IFRS 8 and involves judgment on the type of internal reporting reviewed by management to make strategic operational decisions for the Company, whether discrete financial information is available and whether revenues and expenses that are incurred are allocated or aggregated. The Company has determined that there are two operating segments, being “asset management” and “brokerage”. The Company assessed the aggregation and quantitative criteria for reportable segments and concluded that the brokerage operating segment cannot be aggregated with the Assets under Management operating segment and is also below the quantitative threshold. The Company has included the disclosure for the brokerage operating segment as “brokerage”. Please refer to note 2(d) and note 27 in the December 31, 2014, Consolidated Financial Statements for further information.

Management judgment is required for the classification of Intangible assets as either indefinite life or finite life. The assessment of the useful life of intangible assets is based on the guidance provided in IAS 38.90. The main factors that are considered are: i. intangible assets during the year can be managed efficiently by another management team; ii. there are no fixed termination dates that can be foreseen; and iii. the rights to the intangible assets acquired by the Company do not expire. If the Company assesses that an intangible asset has a finite life, the Company must estimate the useful life of the intangible asset based on fixed termination dates and rights to the intangible assets. Please refer to note 3(e) in the December 31, 2014, Consolidated Financial Statements for further details.

The Company completes a cash generating unit analysis and identification process annually in accordance with IAS 36(66) which defines a cash generating unit as the smallest group of assets that includes the asset and generates cash inflows that are largely independent cash inflows from other assets or groups of assets. The identification involves judgment and the following four criteria are assessed: i. Operations; ii. Regulatory regime; iii. Management; and iv. Revenue. As at December 31, 2014, the Company has assessed that two Cash Generating Units exist within the organization, asset management CGU and brokerage CGU. The change from the prior year assessment was a movement from one operating segment to two operating segments in 2014.

The Company's goodwill and indefinite life intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. The values associated with the valuation of the Company's goodwill and indefinite life intangibles and their allocation to CGUs involve significant estimates and assumptions. The Company uses the higher of fair value less cost to sell and the value in use method in order to calculate the recoverable amount of the CGU. Significant estimates require considerable judgment regarding the underlying AUM associated with the CGUs and available AUM multiples from recent transactions for similar assets within the same industry. Further details are provided in note 3(e) and note 14. Due to the announced consolidation of the Calgary office functions with the Toronto office, the Company assessed each CGU for indicators of impairment and concluded that an impairment test was required, which resulted in no impairment in the period. The Company also assessed for indicators of impairment as at September 30, 2015 and concluded that there were no such indicators.

Investments held at fair value through profit or loss, largely consist of seed capital in the Company's funds under management. Management uses judgment in its assessment for control, significant influence or joint control as well as for the appropriate disclosures at each reporting period based on the principles of IFRS 10, IAS 28 and IFRS 12. Please see note 3(q) in Notes to the Consolidated Financial Statements for the year ended December 31, 2014, for further details.

The restructuring costs recognized in the second quarter are considered to be a significant new estimate due to the estimates used to calculate the provision for the onerous lease, termination and related post-employment benefits, and legal and other costs. The provision is subject to change at each reporting period. No significant changes in estimates were recorded in the third quarter of 2015. The Company has determined three classes of restructuring costs as of June 30 and September 30, 2015 which have varying factors subject to change. The onerous lease provision has been calculated using lease payments, net of estimated sublet recoveries, discounted over the remaining 7 year lease term. The net lease payments are based on external market evidence reflecting current sublease rates for long term contracts and will be assessed at each reporting period. These reflect the Company's best estimate, based on the current market for commercial real estate in Calgary, given the current economic conditions. The discount rate was 1.40% based on the Bank of Canada seven year bond yield. If the estimates used, such as the timing of the sublease, the sublease rate or the interest rate should change, the restructuring costs associated with the lease provision would be impacted.

The termination and related post-employment benefits were communicated to the parties involved before June 30, 2015 and certain benefits have been discounted over a two year period consistent with the timing of those payments. The discount rate was 0.60% based on the Bank of Canada two year bond yield. Included in the termination and related post-employment benefits was the option to exercise stock options and restricted stock options that will vest by July 31, 2016. The Company has calculated the fair value of this termination and related post-employment benefit using the Black-Scholes option pricing model. The legal fees and other are an accrual of direct costs associated with the restructuring and are not subject to discounting.

On August 31, 2015 and September 9, 2015, the Company completed a non-brokered private placement consisting of the issue of 3,933,000 and 4,480,000 units, respectively, at a purchase price of $0.45 per unit. Each unit consisted of one common share and one-quarter of a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.60 per common share with a term to expiry of twelve months. The company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component of fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be more easily measurable component and the common shares are valued at their estimated fair value. The remaining balance is allocated to the attached warrants.

The following standards were adopted effective January 1, 2015:

On January 1, 2015, the Company adopted the following:

IAS 24 – Related Party Transactions

The IASB amended IAS 24 Related Party Transactions to revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify related disclosure requirements. The Company has assessed the impact of the amendment and noted that no change has been assessed on its related party assessment.

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

The IASB amended IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to clarify how gross carrying amount and accumulated depreciation are treated when an entity uses the revaluation model. The Company has assessed that there is no impact on its financial statements as a result of the amendment.

IAS 19 – Employee Benefits

The IASB amended IAS 19 Employee Benefits to reflect significant changes to recognition and measurement of defined pension expense and termination benefits and expanded disclosure requirements. The Company has assessed all termination benefits in accordance with the changes in note 22 of the Condensed Interim Consolidated Financial Statements for the three and nine months ended September 30, 2015.

The following standards will be adopted effective January 1, 2016:

The Company is still evaluating the impact of the following amendments on its financial statements.

IAS 1 – Presentation of Financial Statements

The IASB amended IAS 1 Presentation of Financial Statements to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policy.

IFRS 10 – Consolidated Financial Statements

The IASB amended IFRS 10 Consolidated Financial Statements to clarify the application of the consolidation exception for investment entities and their subsidiaries.

IAS 16 – Property, Plant and Equipment

The IASB amended IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to: (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated; and (ii) provide a rebuttable presumption for intangible assets.

IFRS 7 – Financial Instruments: Disclosures

The IASB amended IFRS 7 Financial Instruments: Disclosures, to: (i) add guidance on whether an arrangement to service a financial asset which has been transferred constitutes continuing involvement; and (ii) clarify that the additional disclosure required by the amendments to IFRS 7, (Disclosure – Offsetting Financial Assets and Financial Liabilities), is not specifically required for interim periods, unless required by IAS 34.

The following standards will be adopted effective January 1, 2018:

IFRS 15 – Revenue from Contracts with Customers

The IASB will issue IFRS 15 Revenue from Contracts with Customers. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The Company has not yet begun the process of assessing the impact the new standard will have on its financial statements.

Financial Instruments

As of September 30, 2015, Aston Hill's financial instruments include cash, investments at fair value through profit or loss, accounts receivable, restricted trust units, trade and other payables, provisions, investments at fair value through other comprehensive income, share based compensation and convertible debentures.

As at September 30, 2015, the fair value of cash and cash equivalents, trade and other receivables, notes receivable, provisions and trade and other payables approximated their carrying value due to their short term nature.

Restricted trust units receivable are fair valued at each reporting period by using the fair value models calculated by Aston Hill. As at September 30, 2015 the restricted trust units receivable were $nil due to the termination of the administrative services contract with Argent in mid-August 2015 (December 31, 2014 – fair value of $68,000). The valuation model to fair value restricted trust units receivable used the quoted price from the TSX for the Argent shares at each period end. It is considered to be a level 2 fair value measurement as it is actively traded on the TSX with quoted prices but is not an identical asset.

In addition, the Company holds investments at fair value through profit or loss which consists of an investment in units of Argent, which is classified as a level 1 investment as the quoted market price is used to fair value an identical asset at each period end. The remaining marketable securities largely consist of investments in funds which have been classified as level 2 investments. As at September 30, 2015, the Company's investments at fair value through profit or loss totaled $3.4 million (December 31, 2014 - $2.0 million). During the nine month period ended September 30, 2015, the Company recorded a net unrealized loss on its marketable securities of $0.3 million compared to the $0.8 million loss from the prior year.

The fair value of the convertible debentures at initial recognition was determined based on discounted cash flows assuming no future conversions and continuation of current interest and principal payments as well as taking into consideration the current public trading activity of such debentures. The Company applied a discount rate of 10% considering current available market information, assumed credit adjustments and various terms to maturity. The equity component of the debentures was calculated as the residual between the face value of the instrument and the fair value of the debt.

The fair value of employee share based compensation is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

The Company's comparative information includes the fair value of the Company's investment in Journey Energy Inc. (formerly Sword Energy Inc.) that was sold on June 19, 2014 and was a financial asset recorded at fair value through other comprehensive income. Aston Hill used estimation techniques to determine fair value which included: recent arm's length market transactions between knowledgeable, willing parties, if available; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; multiple of earnings; and reserve based valuations. The fair value was affected significantly by a volatile oil and natural gas pricing environment; therefore, the fair value of the Journey investment may have historically fluctuated materially from quarter to quarter. The Company sold its equity investment in Journey on June 19, 2014. The Company previously owned 1.4 million common shares or approximately 2.7% of the total outstanding common shares of Journey. At the time of the sale, the fair market value of the investment was $8.7 million. As such, the Company recognized a gain in fair value through other comprehensive income of $0.9 million from the prior period. Upon the sale of the equity investment, the total accumulated other comprehensive loss and the change in fair value during the period was transferred into retained earnings, consistent with IFRS 9.

Outstanding Share Data

Capital	Authorized	Outstanding as at November 16, 2015	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited	100,439,830	Not applicable
Stock options	Not applicable	4,946,152	4,946,152
Convertible debentures (face value) 6.50% maturing 2019	Not applicable	$ 34,030,000	52,353,846

[1] The common shares are presented net of 1,731,802 common shares held in treasury. The Company received shareholder approval to reserve for issuance up to 10% of the issued and outstanding Common Shares at the date of the creation for its incentive stock option plan.

Additional Information

Reference is made in this Management Discussion & Analysis to the Company's Consolidated Financial Statements disclosure for the relevant periods filed on the SEDAR website at www.sedar.com where additional disclosure relating to the Company can also be located.

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