Management Discussion and Analysis

For the three months ended March 31, 2016

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated May 11, 2016 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 condensed consolidated interim financial statements and accompanying notes of the Company for the period ended March 31, 2016, as well as the audited consolidated financial statements and accompanying notes of the Company for the year ended December 31, 2015. 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, impairment losses, loss on sale of subsidiary, 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 and Adjusted EBITDA Margin

Aston Hill uses EBITDA, or Adjusted 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, or Adjusted 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, impairment losses, loss on sale of subsidiary, 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. The Company now operates only one business segment which is the activity related to management, sub-advisory services and administration services for the Company's funds under management.

During the three month period ended March 31, 2016, financial results were impacted by the following:

- The sale of the Company's brokerage unit was completed on March 31, 2016. A loss on the sale of the subsidiary of $0.3 million was included in the quarter's results, being the difference between the consideration received and the net assets sold as of the date of sale.
- On March 21, 2016, the Company announced the suspension of its quarterly dividend. The dividend suspension creates an additional $2.0 million of liquidity per year and is consistent with the Company's conservative approach to capital and risk management. The Board will continue to evaluate its dividend policy.
- Gross open end mutual fund sales totaled $60.0 million in the first quarter of 2016. Redemptions during the quarter totaled $102.0 million, which resulted in net redemptions of $42.0 million. Adding to this the impact of market performance, AUM for open end funds decreased by $68.0, or 7.8%, from December 31, 2015.
- Sub-advisory revenue as a percentage of total revenue was 2% compared to 13% 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.
- Revenue from management fees as a percentage of total revenue was 85% for the period ended March 31, 2016, compared to 73% for the prior year.
- Other revenue and income as a percentage of total revenue was 6% compared to 7% in the prior year.
- Managed closed end funds AUM decreased by $130.0 million during the quarter as a result of redemptions and changes in market value.
- On May 9, 2016, the Company announced the approval by security holders of the merger of three of its funds which have similar mandates. Subject to regulatory approval, the merger will take effect in May 2016 and put more assets directly under the stewardship of our Chief Investment Officer (CIO), Ben Cheng, and lead to significant cost savings at the fund and corporate levels.

Financial Portfolio Management and Advisory

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”). Five licensed portfolio managers, including Ben Cheng, Barry A. Morrison, 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 March 31, 2016.

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 owned: 5.88% by a current executive and director and 14.12% by a former executive and director. The combined 20% represents 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 provided professional, personalized trading and investment services to private investors. At December 31, 2015, this subsidiary was included in the disposal group and classified as held for sale. On March 31, 2016, the sale of the AHS was completed and AHS was no longer recognized as a subsidiary of the Company as of that date.

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, sub-advisory expense, share based compensation, depreciation of property and equipment, amortization of finite life intangible assets, amortization of deferred sales commissions, trailer fees, commissions and restructuring costs. 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

Volatility continues to be the predominant theme of 2016 and the first quarter reminded us how quickly and strongly the market responds to conjecture and sentiment. January's broad based, domestic and foreign market performance was one of the worst on record with no sector sidestepping the downdraft. However, within six weeks from January's bottom, markets had recovered all lost ground and started to move towards new highs.

We continue to believe we are in the middle of a very long, low trajectory economic expansion. That said markets are highly reactive and are spooked by news from any quarter that is not unequivocally clear and positive. While many of the drivers of the bull market appear stretched, the up trends of markets have proven resilient.

Around the globe it is difficult to find economies without challenges. The European Union struggles with systemic issues bubbling to the surface. Emerging markets endure the triple pain of China's slowdown, falling commodity prices and a stronger U.S. dollar. China must surely face unprecedented challenges on many fronts as they redefine their role on the global economic and political stage.

The business cycle in the US continues to be marginally stronger than most forecasters' estimates. Unemployment is low and while wage growth continues to be sluggish we are seeing some wage pressure entering at the low end. The US housing market has been mirroring securities markets with drops in existing homes sales in February followed by better than expected sales in March. GDP growth is always a difficult measure with Q4 2015 coming in at 1.4% and Q1 2016 calling for 2.4%. We expect US GDP to remain in positive territory but below forecasts.

Canada continues to bask in its Liberal majority glow with positive reception of a deficit budget three times greater than pre election proposals. Revenues will continue to be constrained by low energy and resource prices and projected GDP growth of 2% and higher may prove illusory.

Volatile markets, low interest rates and global economic trajectory will continue to weigh on investors and reasonable caution is always prudent.

Business Outlook

- Q1 2016 kicked off a pivotal year for the company as we improve corporate balance sheets, leverage CIO Ben Cheng's reputation and expand sales distribution more broadly into the Mutual Fund Dealers Association.
- The market volatility of Q1 2016 plays directly to the investment management strengths of Aston Hill. Our expertise in the utilization of derivatives to lower volatility, reduce downside capture and diversify return will represent a true competitive advantage for the balance of 2016.
- On March 31, 2016, the Company completed the sale of its brokerage operations, Aston Hill Securities Inc. to Brant Securities Ltd. of Toronto. The closing of this transaction sets in motion procedures to drive operational efficiencies and continued cost saving efforts while also allowing the Company to focus on its core investment management business.
- Product shelf rationalization and streamlining is underway. The goal is to build and maintain a suite of highly relevant investment mandates aligned with the strengths of Aston Hill's portfolio management teams.
- Head office operational process and procedures are under review and initial indications suggest that efficiencies will be realized over 2016.
- The decision was taken to conduct due diligence on the benefits of appointing Manitou Investment Management as sub-advisor to 2 additional mandates in our closed end pool.
- As has been widely reported, the 2016 Federal Budget proposes to enact changes to the Income Tax Act such that an exchange of shares within a corporate class structure will be deemed a disposition for tax purposes. This proposed change would eliminate the tax deferral potential of switching between funds within a corporate class structure. With a proposed deadline of September 2016, Aston Hill will continue to work with industry groups and stakeholders to determine the most beneficial and unitholder positive options for our clients.

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)		**March 31, 2016**		December 31, 2015		March 31, 2015
Assets Under Management , Advisory, Brokerage and Other						
Managed funds						
Open end funds	**$**	**802**	$	870	$	1,086
Closed end funds		**901**		1,031		1,468
Hedge funds		**21**		25		41
Total Aston Hill managed funds	**$**	**1,724**	$	1,926	$	2,595
Sub-advised funds						
Open end funds		**107**		90		601
Closed end funds		**68**		74		122
Total sub-advised funds	**$**	**175**	$	164	$	723
Other assets		**292**		243		380
Brokerage		**-**		337		419
Total Assets under Management, Advisory, Brokerage and Other	**$**	**2,191**	$	2,670	$	4,117

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)		**March 31, 2016**		December 31, 2015		March 31, 2015
Average Assets Under Management , Advisory, Brokerage and Other						
Managed funds						
Open end funds	**$**	**810**	$	918	$	1,087
Closed end funds		**891**		1,081		1,476
Hedge funds		**22**		26		36
Total Aston Hill managed funds	**$**	**1,723**	$	2,025	$	2,599
Sub-advised funds						
Open end funds		**102**		93		1,299
Closed end funds		**66**		76		123
Total sub-advised funds	**$**	**168**	$	169	$	1,421
Other assets		**292**		250		391
Brokerage		**330**		351		389
Total Average Assets under Management, Advisory, Brokerage and Other	**$**	**2,513**	$	2,795	$	4,800

For the quarter ended March 31, 2016 compared to the prior quarter:

- AUM for Aston Hill managed funds decreased by $202.0 million from the prior quarter. Open end funds had gross sales of $60.0 million in the quarter. These sales were netted against redemptions of $102.0 million in open end mutual funds and investment performance. Closed end mutual fund AUM decreased by $130.0 million due to redemptions of $109.0 million and market performance. Hedge fund AUM decreased by $4.0 million compared to the prior quarter due to redemptions and investment performance.
- Sub-advised funds increased from the prior quarter by $11.0 million.
- The net increase in the AUM of other assets was $49.0 million from the prior quarter, with the net increase mainly arising from a new separately managed account mandate.
- Due to the sale of Aston Hill Securities Inc. effective March 31, 2016, the Company no longer operates a brokerage line of business and as such, has $nil brokerage AUM. As at December 31, 2015, brokerage AUM was $337.0 million.

For the quarter ended March 31, 2016 compared to the same period in the prior year:

- AUM for Aston Hill managed funds decreased by $871.0 million compared to the same period in the prior year. The decrease in AUM was mainly attributable to the net decrease of $567.0 million in closed end fund AUM, due to redemptions of $445.0 million and investment performance. Since March 31, 2015, open end funds have had gross sales of $327.0 million, offset against redemptions of $535.0 million. Hedge fund AUM decreased by $20.0 million compared to the same period in the prior year, mainly due to redemptions in the third quarter of 2015.
- Sub-advised funds decreased from the same period in the prior year by $548.0 million mainly due to 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 $88.0 million due to several expiring mandates.
- Due to the sale of Aston Hill Securities Inc. effective March 31, 2016, the Company no longer operates a brokerage line of business and as such, has $nil brokerage AUM. As at March 31, 2015, brokerage AUM was $419.0 million.

AUM Reconciliation

The Company has provided an AUM reconciliation of total Aston Hill managed funds. The beginning of period balance refers to December 31, 2015. 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 March 31, 2016	Closed end funds March 31, 2016	Hedge funds March 31, 2016
Assets Under Management - Beginning of Period	$ 870	$ 1,031	$ 25
Subscriptions	60	-	-
Redemptions	(102)	(109)	(2)
Investment performance	(26)	(21)	(2)
Assets Under Management - End of Period	**$ 802**	**$ 901**	**$ 21**

Other Assets **(in millions of Canadian dollars)**	Other Assets March 31, 2016
Assets Under Management - Beginning of Period	$ 243
Subscriptions	65
Redemptions	(2)
Investment performance	(14)
Assets Under Management - End of Period	**$ 292**

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 Income Fund
Canadian 50 Advantaged Preferred Share Fund
Global 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 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

(in thousands, except assets under management and per share amounts)	As at March 31 2016	As at December 31, 2015	As at March 31 2015	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$ 2.19**	$ 2.67	$ 4.12	-18%	-47%
Total assets	**67,322**	72,110	92,051	-7%	-27%
Shares outstanding	**98,576**	98,849	89,488	0%	10%

For the three months ended	**March 31 2016**	December 31 2015	March 31 2015	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 6,165**	$ 7,579	$ 10,687	-19%	-42%
Total expenses excluding finance (gain) expense	**7,483**	25,080	9,675	-70%	-23%
Total finance (gain) expense	**1,038**	(2,382)	1,026	-144%	1%
(Loss) income before income taxes	**$ (2,356)**	$ (15,119)	$ (14)	-84%	16729%
Income tax (recovery) expense	**$ (809)**	$ (2,860)	$ (40)	-72%	1923%
Net (loss) income	**$ (1,547)**	$ (12,259)	$ 26	-87%	-6050%
Net income to non-controlling interest	**132**	222	201	-41%	-34%
Net (loss) income to controlling interest	**$ (1,679)**	$ (12,481)	$ (175)	-87%	859%
Per share - Basic	**$ (0.017)**	$ (0.125)	$ (0.002)	-86%	750%
Per share - Diluted	**$ (0.017)**	$ (0.125)	$ (0.002)	-86%	750%
Cash dividends declared per share	**$ -**	$ 0.005	$ 0.015	-100%	-100%
EBITDA	**$ (728)**	$ (16,439)	$ 1,514	96%	-148%
Weighted average shares outstanding	**98,650**	100,175	89,169	-2%	11%

Financial Highlights (continued)

(in thousands of Canadian dollars, except per share amounts)

	Three months ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Net (loss) income before and after income taxes, Net (loss) income to controlling interest			
Total revenues	**$ 6,165**	$ 7,579	$ 10,687
Total expenses excluding finance (gain) expense and impairment losses	**$ 7,344**	$ 9,207	$ 9,675
Total finance (gain) expense	**1,038**	(2,382)	1,026
Total impairment loss	**139**	15,873	-
(Loss) income before income taxes	**$ (2,356)**	$ (15,119)	$ (14)
Income tax (recovery) expense	**$ (809)**	$ (2,860)	$ (40)
Net (loss) income after income taxes	**$ (1,547)**	$ (12,259)	$ 26
Net income to non-controlling interest	**132**	222	201
Net (loss) income to controlling interest	**$ (1,679)**	$ (12,481)	$ (175)
EBITDA, Adjusted EBITDA, Pre-tax operating earnings, and EBITDA Margin (non-GAAP measures)			
Net (loss) income to controlling interest	**(1,679)**	(12,481)	(175)
Add: Finance (gain) expense	**1,038**	(2,382)	1,026
Add: Income tax (recovery) expense	**(809)**	(2,860)	(40)
Add: Amortization of intangible assets - finite	**103**	251	250
Add: Amortization of deferred sales commissions	**553**	954	381
Add: Depreciation of property and equipment	**66**	79	72
EBITDA	**$ (728)**	$ (16,439)	$ 1,514
Add: Impairment loss	**139**	15,873	-
Add: Restructuring costs	**-**	674	-
Add: Loss on sale of subsidiary	**349**	-	-
Add: Net (gains) losses on investments	**(520)**	(692)	(280)
Add: Share based compensation	**(71)**	232	175
Adjusted EBITDA	**$ (831)**	$ (352)	$ 1,409
Less: Performance fees	**-**	-	(196)
Less: Finance gain (expense)	**(1,038)**	2,382	(1,026)
Add: Net (gain) on partial redemption and extinguishment of convertible debentures	**-**	(3,870)	-
Less: Restructuring costs	**-**	(674)	-
Pre-tax operating (loss) earnings	**$ (1,869)**	$ (2,514)	$ 187
Per share results			
Net (loss) income per share - basic	**$ (0.017)**	$ (0.125)	$ (0.002)
Net (loss) income per share - diluted	**$ (0.017)**	$ (0.125)	$ (0.002)
EBITDA per diluted share	**$ (0.007)**	$ (0.166)	$ 0.017
Adjusted EBITDA per diluted share	**$ (0.008)**	$ (0.004)	$ 0.016
Pre-tax operating (loss) earnings per diluted share	**$ (0.019)**	$ (0.025)	$ 0.002
EBITDA Margin and Adjusted EBITDA Margin			
EBITDA Margin (as a % of revenue)	**-12%**	-217%	14%
Adjusted EBITDA Margin (as a % of revenue)	**-13%**	-5%	13%

For the three month period ended March 31, 2016 compared to the prior quarter:

- Total revenue decreased by $1.4 million compared to the prior quarter, mainly arising from lower management fees from open end and closed end funds as a result of the decrease in AUM.
- Total expenses excluding finance expense decreased by $17.6 million compared to the prior quarter. In the current quarter, a loss of $0.3 million was recorded on the sale of Aston Hill Securities Inc. and an impairment loss of $0.1 million was recorded in relation to the termination of a closed-end fund. Total expenses of the previous quarter were largely impacted by several items of expense that did not arise from regular operations. The annual impairment test performed by the Company resulted in an impairment loss of $15.5 million being recognized in respect of the Company's asset management cash generating unit ("CGU"). In addition, an impairment of $0.4 million was recorded against the brokerage units intangible assets when it was classified as held for sale in the fourth quarter of 2015. Expenses in the prior quarter included $0.7 million in restructuring costs due to a revised estimate of the onerous lease provision as of December 31, 2015.
- If the loss on sale of subsidiary, impairment loss, restructuring costs, and finance costs are excluded from total expenses, there was a decrease of $1.5 million. Salaries and wages expense decreased by $0.4 million, mainly resulting from the impact of the prior quarter including an additional bonus provision, partially offset by employee severance costs in relation to corporate cost saving initiatives. Amortization of deferred sales commissions was $0.4 million lower in the quarter, as the previous quarter included the effect of the change in the useful life estimate from 48 months to 36 months. Share based compensation expense decreased by $0.3 million mainly as a result of the second tranche of the deferred share unit plan vesting. In addition there were forfeitures in the quarter due to employee terminations. Product development expenses decreased by $0.2 million compared to the prior quarter. Based on the early stage of development of some of the Company's funds, the Company feels it is in its best interest to bear the burden of some of these funds to maintain the management expense ratio of each of its primary funds at an acceptable level. Such expense absorptions were lower in the first quarter compared to the prior quarter. Trailer fees, which are paid on open end mutual fund subscriptions, decreased by $0.2 million compared to the previous quarter. These decreases in expenses were partially offset by a decrease of $0.2 million in net gains on investments, which was mainly as a result of the change in the fair value for the forward purchase contract liability, which is affected by Aston Hill's share price.
- EBITDA increased by $15.7 million from the prior quarter. The increase can mostly be attributed to several non-operating charges in the prior quarter which included the impairment losses of $15.5 million and $0.4 million described above, and restructuring costs of $0.7 million. Offsetting this, was the $0.3 million loss on sale of subsidiary and the $0.1 million impairment loss recognized in the first quarter of 2016.
- EBITDA as a percentage of total revenues (EBITDA margin) for the quarter was -12%, compared to -217% from the prior quarter. The increase in the EBITDA margin was mainly due to the non-operating charges in the previous quarter, including the impairment losses and restructuring costs recognized in the quarter, partially offset by the loss on sale of subsidiary and the smaller impairment loss recognized in the current quarter.
- Adjusted EBITDA decreased by $0.5 million to an EBITDA loss of $0.8 million. The net change in Adjusted EBITDA can be attributed to both lower revenue and lower expenses compared to the previous quarter. Revenues were down by $1.4 million compared to the previous quarter. Offsetting this, were the $0.4 million decrease in salaries and wages expense, $0.2 million decrease in product development expenses, and the $0.2 million decrease in trailer fees. In addition, sub-advisory fees decreased by $0.1 million compared to the previous quarter.
- Pre-tax operating earnings increased by $0.6 million compared to the previous quarter. In addition to the factors affecting Adjusted EBITDA described above, the increase can also be attributed to the $0.7 million in restructuring costs recognized in the fourth quarter of 2015, and a $0.5 million decrease in finance expenses net of the gain on partial redemption and extinguishment of the convertible debentures that was recognized in the previous quarter. Interest expense on the convertible debentures was lower by $0.3 million lower than the previous quarter. As the interest expense is recognized based on the effective interest method, the payment of interest in January 2016 meant that the interest expense initially after the payment is based on a temporarily lower carrying amount that, however, will increase up to the date of the next interest payment. In addition, the accretion of the equity component of convertible debentures was $0.2 million lower than the previous quarter. The amendments to the convertible debentures in the fourth quarter of 2015 resulted in a lower amount being recognized as a residual equity component, and therefore the quarterly accretion of the equity component is now lower.

For the three month period ended March 31, 2016 and the same period in the prior year:

- Total revenue decreased by $4.5 million, with $1.2 million of the decrease as a result of the end of sub-advisory relationships with IA Clarington and CIBC. Decreases in management fees from open end and closed end managed funds of $2.5 million were driven mainly by net redemptions since the first quarter of 2015. In addition, brokerage revenue decreased by $0.3 million compared to the previous year. Following the sale of Aston Hill Securities Inc. on March 31, 2016, the Company is no longer operating a brokerage division. A further decrease of $0.4 million is attributable to decreases across several revenue streams including sub-advisory, pension management, consulting fees and performance fees.
- Total expenses excluding finance expense decreased by $2.2 million compared to the same period in the prior year. The current quarter included a loss on sale of subsidiary of $0.3 million and an impairment loss of $0.1 million recorded in relation to the termination of a closed-end fund.
- If the loss on sale of subsidiary and impairment loss are excluded from total expenses, there was a decrease in expenses of $2.7 million from the same period in the prior year. The largest movements contributing to the decrease were a $1.1 million decrease in general and administrative expenses, and a $0.7 million decrease in salary and wages expense, both of which are primarily attributable to the cost cutting initiatives of the company which commenced in the second quarter of 2015. As part of this overall initiative, corporate functions previously performed in Calgary were consolidated to the Toronto office. In addition trailer fees, which are paid on open end mutual fund subscriptions, decreased by $0.6 million compared to the same quarter in the prior year, due to lower open end mutual fund sales. Share based compensation expense decreased by $0.2 million mainly as a result of forfeitures in the current quarter. Sub-advisory expenses are based on the aggregate net asset value of the sub-advised funds, and as this aggregate net asset value was lower than the same period in the previous year, sub-advisory fees incurred decreased by $0.2 million. Amortization of finite life intangible assets decreased by $0.1 million due to a lower carrying amount compared to the previous period. Net gains on investments increased by $0.2 million, mainly as a result of the change in the fair value for the forward purchase contract liability, which is affected by Aston Hill's share price. Partially offsetting these decreases in expenses, product development costs were $0.4 million higher than the same quarter in the previous year, and amortization of deferred sales commissions were $0.2 million higher.
- EBITDA decreased by $2.2 million from the same period in the prior year. This movement can mostly be attributed to the decrease in revenue of $4.5 million, partially offset by the overall net decrease across general and administrative costs, salary and wages, trailer fees, share based compensation, sub-advisory fees, and net gains on investment, and product development costs, totaling $2.7 million. In addition, the loss on sale of subsidiary of $0.3 million and impairment loss of $0.1 million contributed to the decrease in EBITDA compared to the same quarter in 2015.
- Adjusted EBITDA decreased by $2.2 million compared to the same quarter in the previous year. The decrease can mainly be attributed to the $4.5 million decrease in revenue, offset by the overall net decrease across general and administrative costs, salary and wages, trailer fees, sub-advisory fees, and product development costs, totaling $2.2 million.
- Pre-tax operating earnings decreased by $2.1 million, from $0.2 million in the same period in the prior year, to a pre-tax operating loss of $1.9 million. In addition to the factors affecting Adjusted EBITDA described above, the decrease in pre-tax operating earnings can also be attributed to performance fees of $0.2 million in the first quarter of 2015, which were deducted from revenue in the same period in the prior year to arrive at pre-tax operating earnings. The company did not have any revenue from performance fees in the current quarter.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per share amounts)

Three months ended,	**Mar 31, 2016**	Dec 31, 2015	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014
Revenues	**$ 6,165**	$ 7,579	$ 8,508	$ 9,820	$ 10,687	$ 11,740	$ 12,423	$ 12,181
Expenses								
Salaries and wages	**3,089**	3,457	2,776	3,073	3,768	3,294	4,800	3,350
General and administrative	**1,777**	1,738	1,823	2,588	2,921	2,178	1,558	2,148
Restructuring costs	**-**	674	-	3,618	-	-	-	-
Sub-advisory expense	**775**	920	1,045	1,047	1,018	1,126	1,257	1,285
Product development	**328**	501	155	215	(95)	131	199	143
Share based compensation	**(71)**	232	280	97	175	222	173	351
Depreciation of property & equipment	**66**	79	71	72	72	105	119	109
Amortization of intangible assets - finite	**103**	251	250	250	250	299	298	299
Amortization of deferred sales commissions	**553**	954	560	453	381	355	326	307
Trailer fees	**895**	1,093	1,258	1,444	1,465	1,533	1,499	1,360
Net (gains) losses on investments	**(520)**	(692)	(863)	(1,243)	(280)	54	141	141
Finance (gain) expense	**1,038**	(2,382)	1,116	1,092	1,026	1,098	1,077	834
Impairment loss	**139**	15,873	**-**	**-**	**-**	**-**	**-**	**-**
Loss on sale of subsidiary	**349**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total expenses	**$ 8,521**	$ 22,698	$ 8,471	$ 12,706	$ 10,701	$ 10,395	$ 11,447	$ 10,327
Income (loss) before income taxes	**(2,356)**	(15,119)	37	(2,886)	(14)	1,345	976	1,854
Income tax (recovery) expense	**(809)**	(2,860)	87	(975)	(40)	433	625	560
Net (loss) income for the period	**$ (1,547)**	$ (12,259)	$ (50)	$ (1,911)	$ 26	$ 912	$ 351	$ 1,294
Net income (loss) to non-controlling interest	**132**	222	195	164	201	338	266	267
Net (loss) income to controlling interest	**$ (1,679)**	$ (12,481)	$ (245)	$ (2,075)	$ (175)	$ 574	$ 85	$ 1,027
Net (loss) income - per share - basic	**$ (0.017)**	$ (0.125)	$ (0.003)	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011
Net (loss) income - per share - diluted	**$ (0.017)**	$ (0.125)	$ (0.003)	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011

Revenue

(in thousands of Canadian dollars)		Quarter ended March 31, 2016		December 31, 2015		March 31, 2015
Revenue						
Management fees						
Open end funds	**$**	**2,958**	$	3,436	$	4,300
Closed end funds		**2,245**		2,707		3,370
Hedge Funds		**56**		67		95
Total management fees	**$**	**5,259**	$	6,210	$	7,765
Sub-advisory fees						
Open end funds	**$**	**74**	$	71	$	1,250
Closed end funds		**72**		76		128
Total sub-advisory fees	**$**	**146**	$	147	$	1,378
Other revenue and income		**347**		456		814
Brokerage		**413**		766		730
Total revenue	**$**	**6,165**	$	7,579	$	10,687

	Quarter ended March 31, 2016	December 31, 2015	March 31, 2015
Fees as a percentage of total revenue			
Management fees			
Open end funds	**48%**	45%	40%
Closed end funds	**36%**	36%	32%
Hedge Funds	**1%**	1%	1%
Total management fees	**85%**	82%	73%
Sub-advisory fees			
Open end funds	**1%**	1%	12%
Closed end funds	**1%**	1%	1%
Total sub-advisory fees	**2%**	2%	13%
Other revenue and income	**6%**	6%	7%
Brokerage	**7%**	10%	7%
Percentage of total revenue	**100%**	100%	100%

	March 31, 2016	December 31, 2015	March 31, 2015
Fees as a percentage of Average AUM			
Management fees			
Open end funds	**1.46%**	1.50%	1.58%
Closed end funds	**1.01%**	1.00%	0.91%
Hedge funds	**1.02%**	1.03%	1.04%
Sub-advisory fees			
Open end funds	**0.29%**	0.31%	0.39%
Closed end funds	**0.44%**	0.40%	0.42%
Other revenue	**0.36%**	0.45%	0.79%
Brokerage fees	**0.50%**	0.87%	0.75%
Total Revenue as a percentage of Total Average AUM	**0.97%**	1.10%	0.90%

* 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 March 31, 2016 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 $1.0 million, or 15%, for the quarter. The fees as a percentage of average AUM remained relatively consistent for management fees quarter over quarter.

Both open end and closed end sub-advisory fees remained level with the previous quarter at approximately $0.1 million and were consistent as a percentage of AUM quarter over quarter.

Other revenue decreased by $0.1 million, due to lower revenues from redemption fees. Other revenue as a percentage of average AUM fell slightly compared to the previous quarter.

Brokerage fees increased by $0.4 million compared to the prior quarter due to lower activity in the quarter.

For the quarter ended March 31, 2016 compared to the same period in the prior year:

Management fee revenue as a percentage of average AUM remained relatively consistent. Total management fees decreased by $2.5 million, or 32%. Open end fund management fees were $1.3 million lower compared to the same period in the prior year, in line with the 26% decrease in average open end fund AUM. The decrease in the closed end fund management fees, of $1.1 million was a result of the lower AUM due to redemptions that occurred during the last three quarters of 2015 and the current quarter. Total management fee revenue as a percentage of average AUM remained relatively consistent with the same period in the previous year.

Sub-advisory fees as a percentage of average AUM were relatively consistent with the same quarter in the prior year. Total sub-advisory fees in the quarter decreased by $1.2 million compared to the first quarter of 2015, mainly as a result of the non-renewal of the IA Clarington sub-advisory relationship on February 13, 2015 and the end of the sub-advisory relationship with CIBC in the third quarter of 2015.

Other revenue decreased by $0.5 million. Performance fees decreased by $0.2 million compared to the same period in the previous quarter. The remaining decrease is mainly attributable to several expiring mandates.

Brokerage revenue, which is activity-driven, decreased by $0.3 million in the current quarter compared to the same period in the prior year.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	March 31, 2016	December 31, 2015
Working capital	**3,738**	6,248
Total assets	**67,322**	72,110
Long term debt (convertible debentures)	**26,624**	26,103

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 and accounts receivable. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change.

Three 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. These subsidiaries are each currently required to maintain minimum working capital of $100,000, plus $100,000 deductible under their respective bonding insurance policies. 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 March 31, 2016, the Company and its subsidiaries were in compliance with all externally imposed capital requirements.

Year to date additions to property and equipment were $nil (March 31, 2015 - $0.1 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, 2015, in note 5.d).

For the three months ended March 31, 2016, the Company paid regular cash dividends of $nil, compared to $1.3 million of cash dividends in the same period in the prior year. On March 21, 2016, the Company announced the suspension its dividend, which creates an additional $2.0 million of liquidity per year and is consistent with the Company's conservative approach to capital and risk management. The Board will continue to evaluate its dividend policy.

Financing costs paid on convertible debentures were slightly lower compared to the same three months in the previous year, at $1.0 million (March 31, 2015 - $1.2 million). This was mainly due to the principal balance of the convertible debentures decreasing since March 31, 2015, due to the redemption of an aggregate principal amount $6.0 million in the fourth quarter of 2015, and normal course issuer bid repurchases of $0.5 million during the period from April 1, 2015 to March 31, 2016. Partially offsetting the effect of the decrease in the principal balance, is the increase in the coupon payable from 6.00% to 6.50% with effect from November 16, 2015, as a result of the amendments that were effective on that date. Refer to the note 19 of the audited consolidated financial statements for the year ended December 31, 2015, for further details regarding the partial redemption and amendments to the convertible debentures.

Aston Hill paid deferred sales commissions of $0.1 million in the three month period ended March 31, 2016, compared to $0.3 million in the prior year. This was a result of lower 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.

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

Commitments

(in thousands of Canadian dollars)								
As at March 31, 2016								
		Total	2016	2017	2018	2019	2020	Thereafter
Financial liabilities:								
Trade and other payables		$ 3,304	$ 3,304	$ -	$ -	$ -	$ -	$ -
Convertible debentures	-principal	33,710	-	-	-	33,710	-	-
	-interest	6,574	1,096	2,191	2,191	1,096	-	-
Operating leases		5,959	1,346	980	1,002	986	821	824
Forward purchase contract liability		896	777	-	119	-	-	-
		$ 50,443	**$ 6,523**	**$ 3,171**	**$ 3,312**	**$ 35,792**	**$ 821**	**$ 824**

Summary Balance Sheet Data

(in thousands of Canadian dollars)				
		March 31, 2016		December 31, 2015
Current assets	**$**	**8,923**	$	14,492
Non current assets		**58,399**		57,618
Total Assets	**$**	**67,322**	$	72,110
Current liabilities	**$**	**5,185**	$	8,244
Non current liabilities		**37,774**		37,671
Total Liabilities	**$**	**42,959**	$	45,915
Non-controlling interest		**317**		317
Shareholders' equity		**24,046**		25,878
Total Liabilities & Shareholders' Equity	**$**	**67,322**	$	72,110

The balance sheet for Aston Hill at March 31, 2016, reflects total assets of $67.3 million, a decrease of $4.8 million from December 31, 2015. The sale of Aston Hill Securities Inc., which was completed on March 31, 2016, contributed a net decrease in total assets of $2.4 million, made up of three components. Firstly, the recognition of the fair value of consideration receivable of $1.7 million, and derecognition of assets at the date of sale of $2.2, contributed a net reduction of $0.5 million in being the difference between the two. Secondly, between December 31, 2015 and March 31, 2016, the assets of the subsidiary held for sale decreased by $1.1 million. Finally, a receivable from the subsidiary classified as held for sale of $0.8 million was included within assets in the statement of financial position as at December 31, 2015, with an offsetting balance reflected in disposal group liabilities as of that date. A new loan receivable, at fair value, is recorded within notes receivable as part of the consideration received and the $0.8 million loan receivable from subsidiary held for sale was derecognized. Investments at fair value through profit or loss decreased by $1.7 million, as a result of sale proceeds of $1.9 million net of purchases of $0.2 million and the unrealized change in market value of marketable securities. The carrying amount of deferred sales commissions decreased by $0.5 million, due to current quarter amortization of $0.6 million, partially offset by sales commissions paid of $0.1 million. Cash and cash equivalents decreased by $0.6 million during the period. The main items contributing to the net decrease in cash were bonuses paid of $1.6 million, interest paid on convertible debentures of $1.0 million, partially offset by net proceeds on sales of investments of $1.7 million. Partially offsetting these decreases in assets, was an increase of $0.6 million in current income tax receivable.

Total liabilities decreased by $3.0 million to $43.0 million, at March 31, 2015 from $45.9 million at December 31, 2015. $1.2 million of the decrease can be attributed to the sale of Aston Hill Securities Inc., with the difference made up of the following three components (1) the derecognition of working capital liabilities on the date of sale of $0.2 million; (2) a decrease in working capital liabilities between December 31, 2015 and March 31, 2016, of $0.2 million; and (3) the derecognition of the $0.8 million loan of the subsidiary payable to Aston Hill, which was included within liabilities held for sale as at December 31, 2015. Trade and other payables decreased by $0.3 million compared to the balance as at December 31, 2015. In addition, the current provision balance decreased by $1.1 million, primarily due to the payment of the bonus provision in the first quarter of 2016, partially offset by a provision for termination benefits recorded in the quarter. The change in fair value of the forward purchase contract liability contributed $0.5 million to the decrease in total liabilities.

The revolving line of credit was cancelled by the Company, effective March 31, 2016.

Shareholders' equity decreased by $1.8 million during the three month period ended March 31, 2016. The net decrease is mainly attributable to the net loss of $1.7 million in the quarter. The balance of the decrease arose from normal course issuer bid repurchases and share based compensation charged to equity in the current quarter.

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 March 31, 2016, there have been no changes in ICFR that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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 audited consolidated financial statements for the year ended December 31, 2015.

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, 2015. A more in-depth discussion of material risk factors affecting the Company can be found in the audited consolidated financial statements for the year ended December 31, 2015.

Related Party Transactions

In addition to those disclosed elsewhere in the financial statements, the Company had the following 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 March 31, 2016 consist of $2,096,000 (December 31, 2015 - $2,206,000) in management fees, and other amounts due from funds under management. Trade and other payables as at March 31, 2016 includes $938,000 (December 31, 2015 - $879,000) in amounts due to funds under management.

   For the period ended March 31, 2016, $5,264,000 (March 31, 2015 - $8,017,000) of revenue from management and other fees was from funds under management by the Company's subsidiaries. In addition, for the period ended March 31, 2016, the Company absorbed $328,000 (March 31, 2015 - $94,000 was recovered), of expenses incurred by funds under management.

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

   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 March 31, 2016, $nil (December 31, 2015 - $6,800) 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 March 31, 2016, $119,000 (December 31, 2015 - $142,000) of trade and other payables related to the consulting fee payable to RJT. Total consulting fees incurred to date as of March 31, 2016 was $204,000 (March 31, 2015 - $476,000).

c) As at March 31, 2016, $1,116,000 (December 31, 2015 - $2,800,000) of the financial assets at fair value through profit or loss are related to seed capital provided by the Company to provide capital to new funds 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 period ended March 31, 2016, a net gain of $64,000 (March 31, 2015 – $28,000) related to these funds under management was recorded within net gains on investments.

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.

The unaudited condensed consolidated interim financial statements for the period ended March 31, 2016, have been prepared in accordance with IFRS. The accounting policies followed are the same as those applied in the Company's audited consolidated financial statements for the period ended December 31, 2015, except for any changes due to new standards being adopted on January 1, 2016. For a discussion of all significant accounting policies, please refer to note 3 of the December 31, 2015, notes to the consolidated financial statements. A discussion on the determination of the fair values of the Company's investments is included in note 16 of the notes to the consolidated financial statements.

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 had previously determined that there were two operating segments, being "asset management" and "brokerage". In November 2015 management committed to a plan to sell the brokerage segment of the business and as a result, the assets of this unit were presented as held for sale as at December 31, 2015. The Company now operates only one business segment which is the activity related to asset management, which includes management, sub-advisory services and administration services for the Company's funds under management. Please refer to note 2(d) and note 6 in the audited consolidated financial statements for the year ended December 31, 2015, 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 audited consolidated financial statements for the year ended December 31, 2015, for further details.

The Company completes a cash generating unit analysis and identification process annually in accordance with IAS 36, 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, 2015, the Company assessed that the organization has only one cash generating unit – asset management.

The Company's 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 indefinite life intangibles 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 4 of the unaudited condensed consolidated interim financial statements; and notes 3(e) and note 13 of the audited consolidated financial statements for the year ended December 31, 2015.

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 the audited consolidated financial statements for the year ended December 31, 2015, for further details.

New standards and interpretations adopted January 1, 2016:

On January 1, 2016, the Company adopted the following new standards and amendments to standards, with no significant impact on the company's financial statements.

- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).*
- *Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38).*
- *Equity Method in Separate Financial Statements (Amendments to IAS 27).*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, IFRS 12, and IAS 28).*
- *Annual Improvements to IFRSs 2012-2014 Cycle – various standards.*

- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).*
- *Disclosure Initiative (Amendments to IAS 1).*

New and amended standards issued but not yet effective:

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2016 and earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these financial statements.

- *IFRS 15 – Revenue from Contracts with Customers.* IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of IFRS 15.
- *IFRS 16 – Leases.* The new standard requires lessees to recognize nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019. Early adoption is permitted, provided that IFRS 15 *Revenue from Contracts with Customers* has been adopted.
- *IFRS 9 – Financial Instruments* – as issued by the IASB in July 2014. The final version of IFRS includes (i) a third measurement category for financial assets – fair value through other comprehensive income, and (ii) a single, forward-looking 'expected loss' impairment model. The final version of IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of the final version of IFRS 9. As described in note 3.d) of the audited consolidated financial statements for the year ended December 31, 2015, in 2011 the Company early adopted Phase I and Phase II as issued by the IASB in November 2009.

Financial Instruments

As of March 31, 2016, Aston Hill's financial instruments include cash and cash equivalents, investments at fair value through profit or loss, trade and other receivables, notes receivable, trade and other payables, provisions, forward purchase contract liability, and convertible debentures. For fair value determinations, in addition to the estimation of fair value of financial instruments as described below, please refer to note 16 of the unaudited condensed consolidated interim financial statements.

As at March 31, 2016, the fair value of cash and cash equivalents, trade and other receivables, provisions and trade and other payables approximated their carrying value due to their short term nature. Refer to note 3 of the unaudited condensed consolidated interim financial statements for information as to the fair value determination for the notes receivable.

In addition, the Company holds investments at fair value through profit or loss. The Company's investment in the Voya Global Income Solutions fund is classified as a level 1 investment as the quoted market price is used to obtain the fair value of the investment at each period end. The remaining marketable securities comprise investments in funds which have been classified as level 2 investments. As at March 31, 2016, the Company's investments at fair value through profit or loss totaled $1.3 million (December 31, 2015 - $3.0 million). During the three months ended March 31, 2016, the Company recorded a net unrealized gain on its marketable securities of $0.1 million compared to the $0.1 million loss in the same period in the prior year.

The fair value of the amended convertible debentures at initial recognition was estimated using the observed trading price as these debentures are considered to be traded in an active market. The fair value of the liability portion of the amended debentures was determined using a discount rate of 16%, based on the effective yield on the extendible convertible unsecured debentures due July 31, 2016 immediately prior to the amendments, and adjusted downward to incorporate several factors as more fully described in note 19 to the audited consolidated financial statements for the year ended December 31, 2015. The remainder of the fair value is recognized and included in shareholders' equity, net of income tax effects. The equity component of the debentures was calculated as the residual between the fair value of the instrument and the fair value of the debt.

Outstanding Share Data

Capital	Authorized		Outstanding as at May 10, 2016	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		98,743,607	Not applicable
Stock options	Not applicable		7,676,331	7,676,331
Convertible debentures (face value) 6.50% maturing 2019	Not applicable	$	33,710,000	51,861,538

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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