Aston Hill Financial

Management Discussion and Analysis

For the three and six month periods ended June 30, 2013

This management discussion and analysis ("MD&A") dated August 13, 2013 for Aston Hill Financial Inc. ("Aston Hill" or the "Company") should be read in conjunction with the condensed unaudited interim Consolidated Financial Statements (the "interim Consolidated Financial Statements") for the three and six month periods ended June 30, 2013 as well as the audited consolidated financial statements for the year ended December 31, 2012 (the "Consolidated Financial Statements"). The historical financial information of the Company can be found on SEDAR under Aston Hill Financial Inc.

This MD&A and the interim Consolidated Financial Statements and comparative information have been prepared in Canadian dollars, except where another currency has been indicated, and in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

This MD&A contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to Aston Hill and its products and services, including its business operations, strategy and financial performance and condition. When used in this MD&A, such statements use such words as "may", "will", "expect", "believe", and other similar terms. These statements are not historical facts but instead represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. 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.

This MD&A includes 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. However, management believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these financial measures in analyzing Aston Hill's results. These non-IFRS measures and reconciliations to IFRS, where necessary, are shown as *italicized* footnotes to the discussion throughout the document.

Financial Highlights

(in thousands except assets under management and, per share amounts)

	As at June 30, 2013	As at March 31, 2013	As at June 30, 2012	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$ 6.72**	$ 6.83	$ 5.62	-2%	20%
Total assets	**$ 65,289**	$ 64,178	$ 62,000	2%	5%
Shares outstanding	**$ 73,281**	$ 73,211	$ 72,376	0%	1%

For the quarter ended	**June 30, 2013**	March 31, 2013	June 30, 2012	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 7,686**	$ 7,276	$ 5,779	6%	33%
Total expenses excluding finance expense	**6,228**	5,549	5,098	12%	22%
Total finance expense	**1,052**	1,040	1,055	1%	0%
Income (loss) before income taxes	**$ 406**	$ 687	$ (374)	-41%	209%
Income taxes expense (recovery)	**81**	256	(166)	-68%	149%
Net income (loss)	**$ 325**	$ 431	$ (208)	-25%	256%
Net income (loss) to non-controlling interest	**(4)**	-	-	0%	0%
Net income (loss) to controlling interest	**$ 329**	$ 431	$ (208)	-24%	258%
Per share - Basic	**$ 0.004**	$ 0.006	$ (0.003)	-33%	233%
Per share - Diluted	**$ 0.004**	$ 0.006	$ (0.003)	-33%	233%
Cash dividends recorded per share	**$ 0.0125**	$ 0.0125	$ 0.0100	0%	0%
EBITDA	**$ 1,819**	$ 1,985	$ 886	-8%	105%
Average shares outstanding	**73,274**	72,943	72,955	0%	0%

Overview

Aston Hill is a corporation listed on the Toronto Stock Exchange (the “TSX”) under the symbol AHF. The Company is incorporated under the Business Corporations Act (Alberta). The principal business of Aston Hill is the management, marketing, distribution and administration of mutual funds, private equity funds, hedge funds, segregated institutional funds, as well as, oil and gas property management and other fee-based investment products for Canadian investors. The Company’s expertise is in income and structured products, resource investments, and the oil and gas industry. Aston Hill uses its expertise in income and structured products to provide sub-advisory services to other managers and to manage its own suite of mutual, pooled, and closed-end funds. The Company’s expertise in oil and gas property management and resource investments is used to generate administrative service fees from oil and gas companies, assets, and investment portfolios that benefit from Aston Hill’s experience in that space.

Aston Hill's Assets under Management and Advisory ("AUM") decreased 2% from the first quarter of 2013 to $6.7 billion as at June 30, 2013. The decrease in AUM is primarily attributable to a $93 million drop in sub-advised AUM. Revenues on managed funds have increased despite a lower AUM at period-end. The increase in revenue is attributable to the average AUM for the second quarter of 2013 being higher than the average AUM for the first quarter of 2013. For the three months ended June 30, 2013, the Company generated net subscriptions within its proprietary mutual funds of $110.0 million. Net subscriptions within proprietary funds totaled $235.3 million for the six months ended June 30, 2013.

Aston Hill's revenues for the second quarter of 2013 increased $410,000 from the first quarter of 2013 and increased $1.9 million from one year ago. Revenues increased over prior quarter despite a drop in period end AUM because average AUM for the second quarter was higher than the first quarter. The increase in revenues year over year is the result of the addition of Argent Energy Trust ("Argent") to Assets Under Administration, and organic growth of the Company's existing assets under management.

The $679,000 increase in expenses (excluding finance expense) quarter over quarter is primarily the result of increases in product development expenses of $237,000 and trailer fees of $168,000, as well as a decrease in net profits on investments of $250,000. The year to year increase in expenses (excluding finance expense) of $1,130,000 is primarily the result of increases in G&A expenses of $557,000 and trailer fees $417,000 which are a product of expenses incurred to grow AUM, as well as an increase in in product development of $206,000.

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 mutual funds, open-end mutual funds and hedge funds.

AHAM manages the Aston Hill Group of Funds and has sub-advisory relationships with IA Clarington Investments Inc. ("IA Clarington"), Redwood Asset Management Inc. ("Redwood Funds"), First Asset Management Inc. ("First Asset"), and BMO Nesbitt Burns ("BMO"). Ten licensed portfolio managers including Ben Cheng, Barry A. Morrison, Jeffrey Burchell, Andrew Hamlin, Vivian Lo, and Robert Gill in the Toronto office, and Joanne Hruska and Carol Pretty in the Calgary office, are responsible for the Financial Portfolio Management and Advisory division of Aston Hill.

AHF Capital Partners ("AHFCP") manages and provides sub-advisory services for four funds under the Company's AUM. AHFCP has one licensed portfolio manager, Alexander (Sandy) Liang in the Toronto office.

Oil & Gas Property Management

Aston Hill identifies potential oil and natural gas exploration and development opportunities in both the private and public sectors within its oil and gas management division. The mandate is to identify, acquire, manage and administer oil and gas properties on behalf of both institutional and retail investors.

The Company holds an administration contract with Argent, a Canadian energy trust that is not a specified investment flow-through ("SIFT") trust. Argent holds oil and gas assets in the United States and provides its unitholders with a monthly distribution targeting approximately 10.5% in annual yield. On June 30, 2013, Argent represented $502 million in assets under administration which translates to annualized administrative services fees of $2.0 million to Aston Hill. Argent also reimburses Aston Hill for direct costs associated with the administration of Argent.

Business Outlook

The Company's primary focus for 2013 will be on its operations in the Financial Portfolio Management division. Aston Hill is focused on two primary objectives in this space. The first is to continue to make key strides in the performance, management, and marketing of the Aston Hill branded investment funds, in conjunction with delivering results to our IA Clarington and other sub-advisory mandates. The second objective is to continue to provide pension and high net-worth clients with superior yields and investment returns through the Company's disciplined, service-oriented approach. Aston Hill is actively pursuing other institutional and private equity investors as opportunities arise in both the Oil and Gas Property Management and the Financial Portfolio Management divisions. Further, the Company plans to expand its Aston Hill Securities Inc. ("Aston Hill Securities") business by recruiting quality investment brokers as employees, initially in Toronto, and eventually across Canada.

Assets under Management, Advisory and Administration

Total AUM, which includes closed-end and open-ended mutual funds, hedge funds, separately managed accounts, structured products, pooled assets, and oil and gas properties, was $6.7 billion as at June 30, 2013, a decrease of 2% from the prior quarter and an increase of 19% from the prior year. The following tables summarizes the AUM and various investment profiles managed by Aston Hill:

Assets Under Management, Advisory, and Administration

(in millions of Canadian dollars)

	June 30 2013	March 31 2013	December 31 2012	June 30 2012
Assets Under Management and Advisory				
Financial Portfolio Management	**$ 2,220**	$ 2,233	$ 2,040	$ 2,047
Financial Portfolio Advisory	**3,996**	4,089	3,971	3,575
Assets Under Administration	**502**	506	448	-
Total Assets under Management, Advisory and Administration	**$ 6,718**	$ 6,828	$ 6,459	$ 5,622

Subsequent to quarter end, on July 15, 2013, the company entered into an agreement to purchase 80% of Connor, Clark and Lunn Capital Markets Inc ("CC&LCM") for $16.4 million. The acquired assets primarily consist of intangible assets related to management contracts for closed end funds. The acquisition of CC&LCM is expected to close on or about August 15, 2013, at which time AUM is expected to increase by approximately $1.2 billion.

In order to finance the acquisition, on August 7, 2013, the Company completed a bought deal financing pursuant to an agreement with a syndicate of underwriters, to which it issued 13,600,000 subscription receipts at a price of $1.40 per share unit for gross proceeds of approximately $19,040,000 (the "Offering"). The underwriters also partially exercised an over-allotment option, by purchasing 1,700,000 additional share units at a price of $1.40 per share unit. After exercise of the over-allotment option, gross proceeds from the Offering were $21,420,000. The remaining proceeds will be used for working capital and general corporate purposes.

Breakdown of Managed and Advised Reporting Issuers:

Financial Portfolio Management:

Closed-end funds:

Aston Hill Advantage VIP Income Fund
Aston Hill VIP Income Fund
Aston Hill Advantage Oil & Gas Income Fund
Aston Hill Oil & Gas Income Fund
Aston Hill Advantage Bond Fund

Mutual funds:

Aston Hill Growth & Income Fund & Corporate Class
Aston Hill Capital Growth Fund & Corporate Class
Aston Hill Strategic Yield Fund & Corporate Class
Aston Hill Global Growth and Income Fund & Corporate Clas
Aston Hill Global Resource & Infrastructure Fund & Class
Aston Hill Short-Term Income Fund
Aston Hill Strategic Yield II Fund & Class

Hedge funds:

Aston Hill Opportunities Fund

Financial Portfolio Advisory:

Closed-end funds:

BMO Star Yield Managers Class
First Asset Preferred Share Investment Trust
Strategic Income Allocation Fund

Mutual funds:

IA Clarington Tactical Income Fund & Class
IA Clarington Global Tactical Income Fund & Class
IA Clarington Tactical Bond Fund & Class
IA Clarington Energy Class
Renaissance Millennium High Income Fund
Redwood Income Strategies Fund
Redwood Energy Growth Fund
Redwood Energy Income Fund
Newport Equity Fund

Assets Under Administration:

Argent Energy Trust

Results of Operations

Summary of Quarterly Results

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

Three months ended,		**June 30, 2013**		March 31, 2013		December 31, 2012		September 30, 2012
Revenues	**$**	**7,686**	$	7,276	$	6,438	$	6,195
Expenses								
General and administrative		**4,440**		4,547		4,729		3,597
Product Development		**339**		101		399		269
Share based compensation		**483**		454		384		564
Depreciation of property & equipment		**117**		77		155		171
Amortization of deferred sales commissions		**244**		181		123		104
Trailer fees		**621**		453		356		296
Commissions		**39**		41		47		35
Net losses (profits) on investments		**(55)**		(305)		152		(942)
Finance expense		**1,052**		1,040		949		1,052
Total expenses		**7,280**		6,589		7,294		5,146
Income (loss) before income taxes		**406**		687		(856)		1,049
Income taxes (recovery)		**81**		256		(109)		254
Net income (loss) for the period	**$**	**325**	$	431	$	(747)	$	795
Net income (loss) to non-controlling interest		**(4)**		-		-		-
Net income (loss) to controlling interest	**$**	**329**	$	431	$	(747)	$	795
Net income (loss) - per share - basic	**$**	**0.004**	$	0.006	$	(0.010)	$	0.011
Net income (loss) - per share - diluted	**$**	**0.004**	$	0.006	$	(0.010)	$	0.011

		June 30, 2012		March 31, 2012		December 31, 2011		September 30, 2011
Revenue	$	5,779	$	6,159	$	6,086	$	5,366
Expenses								
General and administrative		3,883		3,774		3,982		2,317
Product Development		132		121		397		6
Share based compensation		631		633		535		414
Depreciation of property & equipment		94		52		69		67
Amortization of deferred sales commissions		111		93		101		52
Trailer fees		204		170		67		118
Commissions		35		39		-		-
Net losses (profits) on investments		8		(76)		(546)		40
Finance expense		1,055		1,050		1,074		724
Total expenses		6,153		5,856		5,679		3,738
Income (loss) before income taxes		(374)		303		407		1,628
Income taxes		(166)		726		476		564
Net income (loss) for the period	$	(208)	$	(423)	$	(69)	$	1,064
Net income (loss) - per share	$	(0.003)	$	(0.006)	$	(0.001)	$	0.015
Net income (loss) - per share diluted	$	(0.003)	$	(0.006)	$	(0.001)	$	0.015

For the quarter ended June 30, 2013, Aston Hill reported net income before income taxes of $406,000 compared to $687,000 in the prior quarter due to increase in product development expenses of $237,000 and trailer fees of $168,000, as well as a decrease in net profits on investments of $250,000 which was partially offset by an increase in revenues of $410,000 and a decrease in G&A expense of $107,000. For the quarter ended June 30, 2013, Aston Hill reported a net income after tax to controlling interest of $329,000 ($0.004 per share) compared to $431,000 ($0.006 per share) for the prior quarter.

Finance expense of $1.1 million was recorded for the quarter ended June 30, 2013 compared with $1.0 for the quarter ended March 31, 2013 and $1.1 million for the quarter June 30, 2012. Finance expense from the prior-year period has remained unchanged as the decrease in interest due to paying down the term credit facility has been offset by interest incurred on the utilization of the revolving line of credit and interest paid on broker accounts in the Company's new brokerage services division, Aston Hill Securities Inc. The increase in finance expense over prior quarter was due to utilization of the revolving line of credit. Aston Hill's debt and borrowing costs are further discussed under "Liquidity and Capital Resources."

Pre-Tax Operating Earnings

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

	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended June 30, 2012	**6 months ended June 30, 2013**	6 months ended June 30, 2012
Income (loss) before income taxes	**$ 406**	$ 687	$ (374)	**$ 756**	$ (73)
Less:					
Service fee revenue	**-**	-	(48)	**-**	(97)
Add:					
Net losses (profits) on investments	**(55)**	(305)	8	**(360)**	(69)
Amortization of deferred sales commissions	**244**	181	111	**425**	204
Share based payments expense	**483**	454	631	**937**	1,264
Pre-tax operating earnings	**$ 1,078**	$ 1,017	$ 328	**$ 1,758**	$ 1,229
Per share	**$ 0.015**	$ 0.014	$ 0.004	**$ 0.024**	$ 0.017

Aston Hill uses pre-tax operating earnings to assess its underlying profitability. Aston Hill defines pre-tax operating earnings as income before income taxes less service fee revenue, non-cash management fees, performance fees and investment gains, plus investment losses, amortization of deferred sales commissions, depreciation of property and equipment and share-based payments expense.

Pre-tax operating earnings, as set out in the table above, was $1.1 million in the second quarter of 2013, an increase of 6% from the first quarter of 2013 and an increase of 229% from the second quarter of the prior year. The increase in pre-tax operating earnings from the prior quarter is the result of the lower G&A costs and revenues which was partially offset by increased product development costs. Year-over-year increase in pre-tax operating earnings is a reflection of an increase in revenues due to the addition of Argent as an asset under administration as well as organic growth of existing funds, which was partially offset by increased G&A costs, trailer fees and product development costs.

Pre-tax operating earnings for the six months ended June 30, 2013, increased 43% over the six months ended June 30, 2012. This is the result of an increase in revenues due to the addition of administrative fees generated on Assets Under Administration (Argent) as well as organic growth of existing funds, which was partially offset by increased G&A costs, trailer fees and product development costs.

EBITDA

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

	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended June 30, 2012	**6 Months Ended June 30, 2013**	6 months ended June 30, 2012
Net Income (loss) for the period	**$ 325**	$ 431	$ (208)	**$ 756**	$ (632)
Add (deduct):					
Finance expense	**1,052**	1,040	1,055	**2,092**	2,105
Current Income tax expense	**(36)**	123	550	**87**	943
Future income tax expense (recovery)	**117**	133	(716)	**250**	(384)
Amortization of deferred sales commissions	**244**	181	111	**425**	204
Depreciation of property and equipment	**117**	77	94	**194**	147
EBITDA	**1,819**	1,985	886	**3,804**	2,383
Per diluted share	**$ 0.024**	$ 0.027	$ 0.012	**$ 0.051**	$ 0.033
EBITDA margin (as a % of revenue)	**24%**	27%	15%	**25%**	13%

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

EBITDA for the quarter ended June 30, 2013 was $1.8 million ($0.024 per share) compared with EBITDA of $2.0 million ($0.027 per share) for the quarter ended March 31, 2013 and $0.9 million ($0.012 per share) for the quarter ended June 30, 2012. The 8% decrease from the prior quarter is primarily the result of an increase in product development expenses of $237,000 and trailer fees of $168,000, as well as a decrease in net profits on investments of $250,000 which was partially offset by an increase in revenues of $410,000 and a decrease in G&A expenses of $107,000. The 105% year-over-year increase in quarterly EBITDA was due to increases in revenue due to the generation of administrative fees on Assets Under Administration (Argent) as well as organic growth of existing funds, which was partially offset by increased G&A costs, trailer fees and product development costs.

EBITDA for the six months ended June 30, 2013, increased 60% over EBITDA for the six months ended June 30, 2012. This is the result of an increase in revenues due to the addition of Argent as an asset under administration as well as organic growth of existing funds, which was partially offset by increased G&A costs, trailer fees and product development costs.

EBITDA as a percentage of total revenues (EBITDA margin) for the second quarter of 2013 was 24%, compared to 15% from the same quarter last year and 27% from the prior quarter. The increase in EBITDA as a percentage of revenues year-over-year is the result of the increases in revenues offset by increased product development and trailer fees. The decrease in EBITDA margin from the prior quarter is due to increased trailer fees and product development expense partially offset by an increase in revenues and decrease in G&A expenses.

EBITDA as a percentage of total revenues for the six months ended June 30, 2013, was 25% compared to 13% for the six months ended June 30, 2012. This increase is due to increases of revenues offset by increased G&A costs, trailer fees and product development.

For the three and six months ended June 30, 2013, the Company expensed $339,000 (June 30, 2012 - $132,000) and $440,000 (June 30, 2012 - $253,000) in product development. 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.

Revenues

Revenue

(in thousands of Canadian dollars)

	Quarter ended June 30, 2013	Quarter ended March 31, 2013	Quarter ended June 30, 2012	**6 Months Ended June 30, 2013**	6 months ended June 30, 2012
Managed	**$ 3,839**	$ 3,481	$ 2,910	**$ 7,319**	$ 5,723
Advisory	**3,124**	3,026	2,663	**6,150**	5,488
Administration	**723**	769	-	**1,493**	351
Other	**-**	-	206	**-**	374
Total revenues	**$ 7,686**	$ 7,276	$ 5,779	**$ 14,962**	$ 11,936

Revenues were $7.7 million for the quarter ended June 30, 2013, an increase of 33% from the $5.8 million earned during the quarter ended June 30, 2012 and up 6% from $7.3 million for the quarter ended March 31, 2013. The changes year-over-year were mainly attributable to the addition of several mutual funds generating incremental management fees, as well as the launching of Argent Energy Trust in August of 2012, which has contributed $1,000,000 in administrative service fees to Aston Hill in 2013, and an increase in fees from the Company's proprietary mutual funds and funds under advisory. The increase in revenues over prior quarter was mainly attributable to an increase in management fees and recoveries from the Company's proprietary mutual funds, funds under advisory, and assets under administration.

For the six months ended June 30, 2013, revenue increased $3.0 million over the six months ended June 30, 2012 due to the addition of several mutual funds, the addition of Argent as an Asset Under Administration as well as organic growth of existing funds

Expenses

G&A expenses were $4.4 million for the quarter ended June 30, 2013, an increase of 10% from the second quarter of 2012 and a decrease of 2% from the prior quarter. The $107,000 decrease in G&A quarter over quarter is the result of decreases in consulting, office, and marketing expenses which was partially offset by increased salaries. The year to year increase in G&A of $557,000 is primarily the result of increased salaries which was the result of managing a higher AUM.

G&A expenses for the six months ended June 30, 2013, increased $1.3 million to $9.0 million over $7.7 million for the six months ended June 30, 2012. This increase was due to increased personnel and office expenses which were required as a result of increased resources being required to manage the Company's growth in Assets Under Management.

Share based compensation expenses were $483,000 for the quarter ended June 30, 2013 compared with an expense of $631,000 in the quarter ended one year ago and $454,000 in the prior quarter. The decrease in share based payments over the prior year is due to the prior year expense being driven up by stock based compensation being issued in 2011 related to corporate acquisitions. In addition, the Company's stock volatility has been decreasing which has been reducing the Black-Scholes valuation of stock based compensation.

Share based compensation expense for the six months ended June 30, 2013, decreased $26% to $936,000 from $1,264,000 for the six months ended June 30, 2012. This is due to share based compensation arrangements related to business acquisitions driving the prior year expense which did not recur in the six months ended June 30, 2013.

Liquidity and Capital Resources

Aston Hill generated $4.6 million of operating cash flow in the three months ended June 30, 2013, up $1.0 million compared with $3.6 million for the same period last year. Aston Hill measures its *operating cash flow before the change in working capital* and the actual cash amount paid for interest and income taxes, as these items can distort cash flow generated during the year. Working capital is affected by seasonality as interest on the convertible debentures is paid semi-annually, and tax installments paid can differ materially from the current tax expense accrual. Aston Hill's main uses of capital are the repayment of principal owing on its term credit facility, interest payments on its convertible debenture, investments in marketable securities, funding of sales commissions, payment of dividends on its shares, funding capital expenditures, and the repurchase of shares through its normal course issuer bid program. At current levels of cash flow, Aston Hill produces sufficient cash to meet its obligations and pay down debt.

Aston Hill paid deferred sales commissions of $468,000 in the three months ended June 30, 2013 compared to $227,000 in the same period last year. This is a result of incremental sales on the Aston Hill mutual 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 specified funds.

The fair value of marketable securities at June 30, 2013 was $2.2 million. Marketable securities are comprised of seed capital investments in its funds, investment in Argent as well as other strategic investments. In the three months ended June 30, 2013, Aston Hill sold $422,000 of seed capital invested in the capital of funds and classes of the Company's proprietary funds, and $81,000 of its other strategic investments. As at June 30, 2013, the Company's investment in Argent has a fair value of $1.7 million. During the second quarter of 2013, the Company recorded net realized and unrealized losses on its marketable securities of $42,000 compared to $59,000 in the same quarter last year.

As at June 30, 2013, the Company's long-term investment in Journey had an estimated fair value of $7.1 million (December 31, 2012 - $6.6 million). The Company recorded a change in the fair value through other comprehensive income of long-term investments for the period ended June 30, 2013 of $557,000. The fair value of the investment in Journey is recalculated quarterly based on internal and external reserve evaluations and estimates as well as conventional valuation methods for valuing privately held interests in accordance with international financial reporting standards. The fair value is affected significantly by a volatile oil and natural gas pricing environment; therefore, the fair value of the Journey investment may fluctuate materially from quarter to quarter.

Summary Balance Sheet Data

(in thousands of Canadian dollars)

		June 30, 2013		March 31, 2013		December 31, 2012
Current Assets	**$**	**8,694**	$	8,303	$	9,662
Non current assets		**56,595**		55,875		55,579
Total Assets	**$**	**65,289**	$	64,178	$	65,241
Current liabilities	**$**	**5,228**	$	5,666	$	6,964
Non current liabilities		**39,923**		38,782		38,898
Total Liabilities	**$**	**45,151**	$	44,448	$	45,862
Shareholders' Equity		**20,138**		19,730		19,379
Total Liabilities & Shareholders' Equity	**$**	**65,289**	$	64,178	$	65,241

The balance sheet for Aston Hill at June 30, 2013 reflects total assets of $65.3 million, an increase of $0.1 million from $65.2 million at December 31, 2012. This change can be attributed to an increase in long term assets of $1 million which was offset by a decrease in current assets of $968,000. The increase in long term assets was primarily due to a $557,000 increase in investments at fair value through other comprehensive income, as well as an increase of $536,000 of deferred sales commissions. The decrease in current assets is primarily due to a $1,147 decrease in cash and cash equivalents.

Accounts receivable increased $339,000 to $4.5 million at June 30, 2013 from $4.2 million at December 31, 2012. The increase relates to a due from funds balance which was not present at December 31, 2012, and an increase in cost recoveries from Argent.

Total liabilities decreased $800,000 to $45.1 million at June 30, 2013 from $45.9 million at December 31, 2012. The primary contributors to this were repayments of the term credit facility, a decrease in trade and other payables, and a decrease in provisions which was partially offset by borrowings on the revolving line of credit and interest accrued on the convertible debentures. At June 30, 2013 the Convertible Debentures debt component had a carrying value of $35.6 million (December 31, 2012 - $34.9 million), the revolving line of credit had a carrying value of $1.9 million (December 31, 2012 - $1 million) and the term credit facility had a carrying value of $487,000 (December 31, 2012 - $1.4 million).

Final principal payment on the term credit facility was made on July 29, 2013. The term credit facility agreement was then terminated.

The revolving line of credit was renewed for a two year term on July 29, 2013, and the credit limit was extended from $4 million to $6.0 million.

Aston Hill's annualized debt-to-EBITDA ratio excluding the Convertible Debentures as at June 30, 2013 was 0.3 to 1. Aston Hill expects that the amount of excess cash flow generated will pay down debt and the ratio of debt to EBITDA will trend lower. 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, and assets under management not fall below $4.6 billion.

Shareholders' equity increased by $759,000 during the six months ended June 30, 2013 mainly as a result of net an increase in share capital of $752,000, income to controlling interest of $761,000, other comprehensive income of $474,000, and an increase of contributed surplus of $605,000, offset by dividends paid of $1.8 million.

Risk Management

For a full understanding of the risks that impact Aston Hill, the following discussion should be read in conjunction with our 2012 annual MD&A.

Aston Hill is exposed to a number of risks through the pursuit of our strategic objectives. 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 exposure to market risk, credit risk, concentration risk, investment performance of the funds, dependence on senior management, competition, risk of significant redemptions of Aston Hill's Assets under Management, sufficiency of insurance, general business risk and liability, regulations of Aston Hill, commitment of key personnel, and capital requirements have not changed substantially since December 31, 2012. A more in-depth discussion of material risk factors affecting the Company can be found in our annual MD&A for the year ended December 31, 2012.

Liquidity Risk & the impact of Credit Facilities & Convertible Debentures

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.

The timing of cash outflows relating to financial liabilities are as follows:

(in thousands of Canadian dollars)

As at June 30, 2013		Carrying amount	Contractual cash flows	Less than one year	One - two years	Two - five years	More than five years
Financial liabilities:							
Trade and other payables		$ 1,427	$ 1,427	$ 1,427	$ -	$ -	$ -
Term credit facility	-principal	487	487	487	-	-	-
	-interest		3	3	-	-	-
Revolving line of credit		1,914	1,914	1,914	-	-	-
Convertible debentures	-principal	35,553	35,553	-	-	35,553	-
	-interest		8,050	2,621	5,181	248	-
		$ 39,381	**$ 47,434**	**$ 6,452**	**$ 5,181**	**$ 35,801**	**$ -**

Related Party Transactions

In addition to those disclosed elsewhere in the financial statements, the Company had the following related party transactions:

a) The Company's wholly owned subsidiaries receive management fees and sub-advisory fees and pay for expenses incurred by its various funds under management. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with terms of the funds. Management fees, sub-advisory fees and other amounts due from funds under management and included in accounts receivable at June 30, 2013 is $1,467,000 (December 31, 2012 - $381,000). Other amounts due to funds under management recorded in accounts payable as at June 30, 2013, was $nil (December 31, 2012 - $358,000). For the three and six month periods ended June 30, 2013, $3,839,000 (June 30, 2012 - $2,282,000) and $7,319,000 (June 30, 2012 - $4,774,000), respectively, was recorded as revenue in respect of these management fees. In addition, for the three and six month periods ended June 30, 2013, the Company absorbed $338,000 (June 30, 2012 - $132,000) and $440,000 (June 30, 2012 - $253,000), respectively, of expenses incurred by funds under management.

b) As at June 30, 2013, the Company had accounts receivable of $910,000 (December 31, 2012 - $807,000) and Argent RTUs receivable of $839,000 (December 31, 2012 - $346,000) from Argent Energy Trust ("Argent"), a company under common management. The Company has an Administrative Services Contract (the "Contract") in which the Company has recorded administration charges for the three and six month periods ended June 30, 2013 of $500,000 (June 30, 2012 - $nil) and $1,000,000 (June 30, 2012 - $nil), respectively. For the three and six months ended June 30, 2013 $224,000 (June 30, 2012 - $nil) and $492,000 (June 30, 2012 - $nil), respectively, of revenue related to Argent RTUs receivable. For the three and six month periods ended June 30, 2013, the Company recorded $399,000 (June 30, 2012 - $128,000) and $678,000 (June 30, 2012 - $691,000) in overhead recoveries for shared overhead costs that have been reimbursed by Argent.

   On August 10, 2012, 210,000 Argent RTUs were granted with a par value of $10.00 per unit to the Company for services rendered under the contract. As at June 30, 2013, the closing bid price for Argent per unit on the TSX was $10.22 (December 31, 2012 - $9.21).

c) Until termination of a management agreement on April 20, 2012, the Company managed a private oil and gas company. In conjunction with this management agreement, the Company was paid a quarterly management fee. For the three and six month periods ended June 30, 2013 $nil (June 30, 2012 - $304,000) and $nil (June 30, 2012 - $351,000), respectively, was recorded as revenue.

d) During the six months ended June 30, 2013, $342,000 of promissory notes due from funds under management were received in full. As at December 31, 2012, there was $342,000 in promissory notes due from funds under management. The notes at December 31, 2012 were receivable on demand and accrued interest at a rate of prime plus 1% annually. Interest is calculated daily on the remaining balance and is receivable on a monthly basis on the last day of each month.

e) As at June 30, 2013, $451,000 (December 31, 2012 - $603,000) of the financial assets at fair value through profit or loss is related to holdings in the Company's funds under management. For the three and six month periods ended June 30, 2013, $9,000 (June 30, 2012 - $32,000) and $9,000 (June 30, 2012 – $2,000) of the net gains on investments recorded during the period was related to these investments in funds under the management of the Company.

f) As at June 30, 2013, $1,000 (December 31, 2012 - $7,000) of trade and other receivables and $85,000 (December 31, 2012 - $nil) of trade and other payables related to amounts related to RJT Capital Inc., a company which owns 49% of the outstanding shares of a subsidiary of the Company.

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.

Commitments and Guarantees

There have been no material changes in commitments and guarantees for the six months ended June 30, 2013.

Significant Accounting Policies & Estimates

The June 30, 2013 interim Consolidated Financial Statements have been prepared in accordance with IFRS. The Company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. For a discussion of all significant accounting policies, please refer to Note 3 of the December 31, 2012 Notes to the Consolidated Financial Statements. Also included in the Notes to the Consolidated Financial Statements is Note 4 includes a discussion on the determination of the fair values of the Company's investments.

The Company carries significant intangible assets on its balance sheet. Aston Hill uses valuation models that use estimates of sales and redemptions of investment products as the primary determinants of fair value. Aston Hill uses a valuation approach based on a multiple of assets under management. Aston Hill has assessed these variables in light of the current economic climate. Estimates of sales and redemptions are very likely to change as economic conditions either improve or deteriorate.

The June 30, 2013 interim Consolidated Financial Statements have been prepared in accordance with IFRS. The accounting policies followed in these interim Consolidated Financial Statements is the same as those applied in the Company's annual Consolidated Financial Statements for the period ended December 31, 2012 except as described in changes in accounting policies.

Changes in accounting policies

The following standards and amendments have been adopted as of January 1, 2013. No restatement of financial statement line items was required as a result of the adoption of the following policies.

IFRS 10 – Consolidation

IFRS 10, *Consolidated Financial Statements* (“IFRS 10”), requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12, *Consolidation - Special Purpose Entities,* and parts of IAS 27, *Consolidated and Separate Financial Statements*.

IFRS 13 - Fair Value Measurement

IFRS 13, *Fair Value Measurement*, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

No restatement of financial statement line items was required as a result of the adoption of this policy. Additional disclosures were required in the interim financial statements as a result of this adoption.

Amendments

The Company has adopted the amendments to IAS 1. These amendments require the Company to separately group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified.

The Company has reclassified comprehensive income items of the comparative period as a result of this adoption. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

Effectiveness of Disclosure Controls and Procedures & Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have designed or caused the design of the Internal Controls over Financial Reporting (“ICFR”) and Disclosure Controls and Procedures. There has been no material weaknesses identified relating to the design of the ICFR and there has been no changes to the Company’s internal controls for the quarter ended June 30, 2013 that has materially affected or is reasonably likely to materially affect the internal controls over financial reporting.

Outstanding Share Data

Capital	Authorized		Outstanding as at August 13, 2013	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		73,281,000	Not applicable
Stock options	Not applicable		6,601,000	6,601,000
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$	34,680,000	13,600,000

[1] 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.

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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