



**Management Discussion and Analysis
For the three and six months ended June 30, 2016**

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated August 9, 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 three and six months ended June 30, 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 June 30, 2016, financial results were impacted by the following:

- Gross open end mutual fund sales totaled \$43.0 million in the second quarter of 2016. Redemptions during the quarter totaled \$89.0 million, which resulted in net redemptions of \$46.0 million. Partially offsetting the net redemptions was market performance, as AUM for open end funds decreased by \$10.0 million, or 1.2%, from March 31, 2016.
- Sub-advisory revenue as a percentage of total revenue was 3%, down from 5% in the prior year due to the termination of the sub-advisory relationship with CIBC in the third quarter of 2015.
- Revenue from management fees as a percentage of total revenue was 88% for the three months ended June 30, 2016, compared to 81% for the same period in the prior year.
- Other revenue and income as a percentage of total revenue was 9% compared to 7% in the prior year.
- Managed closed end funds AUM decreased by \$37.0 million during the quarter as a result of redemptions and changes in market value.
- An amendment to the forward purchase contract with the minority owners of Aston Hill Capital Markets Inc. (“AHCM”) resulted in the full amount of the forward purchase liability being classified within current liabilities as at June 30, 2016. Subsequent to June 30, 2016, the minority owners of AHCM and Aston Hill exercised their put-call rights and Aston Hill will acquire the outstanding interest in AHCM by issuing 5,083,000 common shares to the minority interest holders of AHCM. This transaction is expected to close on or about August 15, 2016.
- Total expenses excluding finance expense decreased by \$0.1 million compared to the prior quarter. In the previous 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.
- If the loss on sale of subsidiary and impairment loss are excluded from total expenses, there was an increase in total expenses of \$0.4 million. Salaries and wages expense decreased by \$1.0 million, with approximately half of the decrease attributable to the sale of the Company’s brokerage line of business at the end of the first quarter. Increases in product development costs, share based compensation, legal fees, and lower net gains on investments more than offset the decrease in salary and wages expense.

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 June 30, 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.

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 AHS was completed and AHS was no longer recognized as a subsidiary of the Company from 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

Recalibrating risk was investors 2nd quarter preoccupation as both unprecedented and all too familiar occurrences roiled societies and markets.

Brexit was the major surprise of the quarter as Britain elected to withdraw from the European Union. In the wake of the decision the British Pound plunged to levels not seen since the 1980s and global markets sold off sharply. As the near term implications of the unexpected decision sunk in and cooler heads prevailed the markets exercised an ambitious recovery erasing most of the losses in a matter of days.

Italian banks were another EU “crisis de jour” as an estimated 17% of bank loans (\$500 billion U.S.) are classified as “Non Performing”. Stir in slow or zero economic growth, low interest rates, EU bailout restrictions set to punish widely held bank bond holders, politically connected, often corrupt lending practices and you have a mix pointing to an Italian financial system in crisis mode. Not a little sister like Portugal or Ireland, Italy is the EU’s 3rd largest economy. It is unlikely a Brussels initiated intervention of some design, will not be on the table in the shadow of Brexit.

International investors eyed the U.S. with renewed interest as terrorism, negative interest rates and political uncertainty dogged the tottering Union. Stateside things looked relatively rosy as the United States added over 287,000 jobs in June, which is one of the largest gains since 2011. The unemployment rate sits at 4.9% but concerns persist among some economists about workforce participation rates as more Americans may have given up active pursuit of employment skewing this number.

2nd quarter U.S retail sales rose in each of the 3 months as improving consumer confidence and low interest rates led to increased sales in automotive, retail and food service sectors. On line retailers exhibited their growing influence with a 14% increase in sales vs. same period the previous year.

As we have remarked since late 2015, we continue to believe we are in the middle innings of a long, low trajectory economic expansion. That said markets are reactionary and are spooked by news from any quarter that is not unequivocally clear and positive. This is nothing new. There will always be another “crisis” around the bend. Markets have survived wars, greed, stupidity, natural disasters, financial crises, government changes, sovereign debt defaults, currency crises and many other unpleasant events.

Note that the “new” market highs in the U.S. this quarter are levels reached briefly in mid 2015, before a market correction drew things back. Markets let off steam with some regularity. We have seen a number of draw-downs of 5% -10% since the “big one” in 2008. The Greek debt crisis of 2010, the US debt downgrade of 2011, the Taper Tantrum of 2013, Ebola scare of 2014, China slow down fears of “all the time” and a collapse of oil prices from 2014-2016 have all triggered anxiety in investors and negative market reaction. As emotion turns to reason, valuation and perspective, investors once again look to what is real over what is feared.

And again, as we have said, while many of the drivers of this bull market expansion appear stretched, there is little to indicate massive disruption and the up trends of markets have proven resilient. Care, caution, insight and intelligence are as important as ever and should be deployed with enthusiasm.

Business Outlook

Product shelf rationalization and streamlining continues. 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. Our goal for a rationalized enhanced and targeted product line-up should be in place for the RSP sales season 2016/2017.

The prudence of our cost containment strategies is being validated. These strategies will provide increased flexibility as we work on operational improvements across the company.

The global market volatility of the 2nd quarter 2016 renewed investor enthusiasm for risk mitigation strategies. Aston Hill’s expertise in the utilization of derivatives to lower volatility, reduce downside capture and diversify return continues to represent a true competitive advantage.

Top line sales trends in our flagship Aston Hill High Income Fund managed by Ben Cheng are encouraging. Net redemptions while continuing, are also trending lower versus later 2015.

Distribution expansion into the MFDA channel is moving ahead as potential distribution relationships conduct due diligence for the inclusion of Aston Hill on their shelf.

The company has initiated a re-engineering of its fee rebate program. When complete a broader cross section of Aston Hill unit holders may be eligible for asset weighted, management fee rebates.

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)	June 30, 2016	March 31, 2016	December 31, 2015	June 30, 2015
Assets Under Management , Advisory, Brokerage and Other				
Managed funds				
Open end funds	\$ 792	\$ 802	\$ 870	\$ 1,147
Closed end funds	864	901	1,031	1,345
Hedge funds	21	21	25	41
Total Aston Hill managed funds	\$ 1,677	\$ 1,724	\$ 1,926	\$ 2,533
Sub-advised funds				
Open end funds	111	107	90	571
Closed end funds	59	68	74	107
Total sub-advised funds	\$ 170	\$ 175	\$ 164	\$ 678
Other assets	294	292	243	368
Brokerage	-	-	337	416
Total Assets under Management, Advisory, Brokerage and Other	\$ 2,141	\$ 2,191	\$ 2,670	\$ 3,995

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)	June 30, 2016	March 31, 2016	December 31, 2015	June 30, 2015
Average Assets Under Management , Advisory, Brokerage and Other				
Managed funds				
Open end funds	\$ 795	\$ 810	\$ 918	\$ 1,163
Closed end funds	885	891	1,081	1,415
Hedge funds	22	22	26	40
Total Aston Hill managed funds	\$ 1,702	\$ 1,723	\$ 2,025	\$ 2,618
Sub-advised funds				
Open end funds	109	102	93	594
Closed end funds	62	66	76	111
Total sub-advised funds	\$ 171	\$ 168	\$ 169	\$ 705
Other assets	296	292	250	379
Brokerage	-	330	351	420
Total Average Assets under Management, Advisory, Brokerage and Other	\$ 2,169	\$ 2,513	\$ 2,795	\$ 4,122

For the quarter ended June 30, 2016 compared to the prior quarter:

- AUM for Aston Hill managed funds decreased by \$47.0 million from the prior quarter. Open end funds had gross sales of \$43.0 million in the quarter. These sales were netted against redemptions of \$89.0 million in open end mutual funds and investment performance. Closed end mutual fund AUM decreased by \$84.0 million due to redemptions of \$33.0 million including the terminated U.S. Agency Mortgage-Backed REIT Advantaged Fund, and market performance. Hedge fund AUM remained consistent with the prior quarter.
- Sub-advised funds decreased from the prior quarter by \$5.0 million.
- The net increase in the AUM of other assets was \$2.0 million from the prior quarter.

For the quarter ended June 30, 2016 compared to the same period in the prior year:

- AUM for Aston Hill managed funds decreased by \$856.0 million compared to the same period in the prior year. Just over half of the decrease in AUM was attributable to the net decrease of \$481.0 million in closed end fund AUM, due to redemptions of \$410.0 million and investment performance. Since June 30, 2015, open end funds have had gross sales of \$206.0 million, offset against redemptions of \$522.0 million. Hedge fund AUM decreased by \$18.0 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 \$508.0 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 \$74.0 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 June 30, 2015, brokerage AUM was \$416.0 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 June 30, 2016	Closed end funds June 30, 2016	Hedge funds June 30, 2016
Assets Under Management - Beginning of Period	\$ 870	\$ 1,031	\$ 25
Subscriptions	103	-	-
Redemptions	(191)	(142)	(3)
Investment performance	10	(25)	(1)
Assets Under Management - End of Period	\$ 792	\$ 864	\$ 21

Other Assets (in millions of Canadian dollars)	Other Assets June 30, 2016
Assets Under Management - Beginning of Period	\$ 243
Subscriptions	67
Redemptions	(12)
Investment performance	(4)
Assets Under Management - End of Period	\$ 294

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
- 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 Resource & Infrastructure Fund & Class
- Aston Hill Global Resource Fund
- Aston Hill High Income Fund & Class
- Aston Hill Millennium 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 for the three months ended June 30, 2016

(in thousands, except assets under management and per share amounts)						
	As at June 30 2016	As at March 31, 2016	As at June 30 2015	% change quarter-over- quarter	% change year-over- year	
Assets under management (in billions)	\$ 2.14	\$ 2.19	\$ 4.00	-2%	-47%	
Total assets	65,390	67,322	92,185	-3%	-29%	
Shares outstanding	98,744	98,576	89,617	0%	10%	
<hr/>						
<i>For the three months ended</i>	June 30 2016	March 31, 2016	June 30 2015	% change quarter-over- quarter	% change year-over- year	
Total revenues	\$ 5,663	\$ 6,165	\$ 9,820	-8%	-42%	
Total expenses excluding finance (gain) expense	7,406	7,483	11,614	-1%	-36%	
Total finance (gain) expense	1,065	1,038	1,092	3%	-2%	
(Loss) income before income taxes	\$ (2,808)	\$ (2,356)	\$ (2,886)	19%	-3%	
Income tax (recovery) expense	\$ (662)	\$ (809)	\$ (975)	-18%	-32%	
Net (loss) income	\$ (2,146)	\$ (1,547)	\$ (1,911)	39%	12%	
Net income to non-controlling interest	106	132	164	-20%	-35%	
Net (loss) income to controlling interest	\$ (2,252)	\$ (1,679)	\$ (2,075)	34%	9%	
<hr/>						
Per share - Basic	\$ (0.023)	\$ (0.017)	\$ (0.023)	35%	-1%	
Per share - Diluted	\$ (0.023)	\$ (0.017)	\$ (0.023)	35%	0%	
<hr/>						
Cash dividends declared per share	\$ -	\$ -	\$ 0.005	0%	-100%	
<hr/>						
EBITDA	\$ (1,113)	\$ (728)	\$ (1,183)	-53%	-6%	
Weighted average shares outstanding	98,715	98,650	89,617	0%	10%	

Financial Highlights for the three months ended June 30, 2016 (continued)

(in thousands of Canadian dollars, except per share amounts)	Three months ended		
	June 30, 2016	March 31, 2016	June 30, 2015
Net (loss) income before and after income taxes, Net (loss) income to controlling interest			
Total revenues	\$ 5,663	\$ 6,165	\$ 9,820
Total expenses excluding finance expense and impairment losses	\$ 7,406	\$ 7,344	\$ 11,614
Total finance expense	1,065	1,038	1,092
Total impairment loss	-	139	-
Loss before income taxes	\$ (2,808)	\$ (2,356)	\$ (2,886)
Income tax recovery	\$ (662)	\$ (809)	\$ (975)
Net loss after income taxes	\$ (2,146)	\$ (1,547)	\$ (1,911)
Net income to non-controlling interest	106	132	164
Net loss to controlling interest	\$ (2,252)	\$ (1,679)	\$ (2,075)
EBITDA, Adjusted EBITDA, Pre-tax operating earnings, and EBITDA Margin (non-GAAP measures)			
Net (loss) income to controlling interest	(2,252)	(1,679)	(2,075)
Add: Finance expense	1,065	1,038	1,092
Add: Income tax recovery	(662)	(809)	(975)
Add: Amortization of intangible assets - finite	85	103	250
Add: Amortization of deferred sales commissions	585	553	453
Add: Depreciation of property and equipment	66	66	72
EBITDA	\$ (1,113)	\$ (728)	\$ (1,183)
Add: Impairment loss	-	139	-
Add: Restructuring costs	-	-	3,618
Add: Loss on sale of subsidiary	-	349	-
Add: Net (gains) on investments	(246)	(520)	(1,243)
Add: Share based compensation	243	(71)	97
Adjusted EBITDA	\$ (1,116)	\$ (831)	\$ 1,289
Less: Performance fees	(33)	-	(112)
Less: Finance expense	(1,065)	(1,038)	(1,092)
Less: Restructuring costs	-	-	(3,618)
Pre-tax operating loss	\$ (2,214)	\$ (1,869)	\$ (3,533)
Per share results			
Net loss per share - basic	\$ (0.023)	\$ (0.017)	\$ (0.023)
Net loss per share - diluted	\$ (0.023)	\$ (0.017)	\$ (0.023)
EBITDA per diluted share	\$ (0.011)	\$ (0.166)	\$ (0.013)
Adjusted EBITDA per diluted share	\$ (0.011)	\$ (0.004)	\$ 0.014
Pre-tax operating loss per diluted share	\$ (0.022)	\$ (0.025)	\$ (0.039)
EBITDA Margin and Adjusted EBITDA Margin			
EBITDA Margin (as a % of revenue)	-20%	-12%	-12%
Adjusted EBITDA Margin (as a % of revenue)	-20%	-13%	13%

For the three month period ended June 30, 2016 compared to the prior quarter:

- Total revenue decreased by \$0.5 million compared to the prior quarter. Management fees from open end and closed end funds decreased by \$0.3 million as a result of the decrease in AUM. Due to the sale of Aston Hill Securities Inc. effective March 31, 2016, the Company no longer operates a brokerage line of business. Prior to the sale of Aston Hill Securities Inc. in the previous quarter, the Company earned brokerage revenue of \$0.4 million. Partially offsetting the decrease in revenue from management fees, were higher redemption fees, which increased by \$0.1 million from the prior quarter.
- Total expenses excluding finance expense decreased by \$0.1 million compared to the prior quarter. In the previous 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.
- If the loss on sale of subsidiary and impairment loss are excluded from total expenses, there was an increase of \$0.4 million. Salaries and wages expense decreased by \$1.0 million, with approximately half of the decrease attributable to the sale of the Company's brokerage line of business at the end of the first quarter. Product development expenses increased by \$0.5 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. Share based compensation expense increased by \$0.3 million mainly as a result of a number of forfeitures in the previous quarter due to employee terminations. Net gains on investments decreased by \$0.3 million, 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. General and administrative expenses increased by \$0.2 million. Lower marketing and office expenses, collectively down by \$0.2 million compared to the prior quarter, were more than offset by a \$0.3 million increase in legal fees in the quarter, and a \$0.1 million increase in consulting fees.
- EBITDA decreased by \$0.4 million from the prior quarter. The decrease in total revenue of \$0.5 million and a net increase in operating expenses affecting EBITDA of \$0.4 million made up most of the decrease in EBITDA. Partially offsetting this was the impact of the non-operating charges incurred in the prior quarter in respect of the \$0.3 million loss on sale of subsidiary and the \$0.1 million impairment loss.
- EBITDA as a percentage of total revenues (EBITDA margin) for the quarter was -20%, compared to -12% from the prior quarter. The decrease in the EBITDA margin was due to lower revenue in the second quarter, and the increase in net expenses affecting EBITDA.
- Adjusted EBITDA decreased by \$0.3 million to an EBITDA loss of \$1.1 million. The decrease in adjusted EBITDA was mainly attributable to the \$0.5 million decrease in revenue and net decrease in expenses affecting adjusted EBITDA of \$0.2 million.
- Similarly, pre-tax operating loss increased by \$0.3 million compared to the previous quarter, from a loss of \$1.9 million to a pre-tax operating loss of \$2.2 million.

For the three month period ended June 30, 2016 and the same period in the prior year:

- Total revenue decreased by \$4.2 million compared to the same period in the prior year. Decreases in management fees from open end and closed end managed funds of \$2.8 million were driven mainly by net redemptions since the second quarter of 2015. The sale of Aston Hill Securities Inc. accounted for \$0.7 million of the decrease and the end of the sub-advisory relationship with CIBC in the third quarter of 2015 contributed a further \$0.3 million of the decrease compared to the same period in the prior year. A further decrease of \$0.4 million is attributable to decreases across several revenue streams including sub-advisory, pension management, and performance fees.
- Total expenses excluding finance expense decreased by \$4.2 million compared to the same period in the prior year. This decrease can mainly be attributed to the \$3.6 million in restructuring costs expensed in the second quarter of 2015 due to the consolidation of the Calgary office functions with the Toronto office, which included an onerous contract for the Calgary office space under lease, termination and related post-employment benefits, and legal and other costs.
- If restructuring costs and finance expenses are excluded from total expenses, there was a decrease in expenses of \$0.6 million from the same period in the prior year. Contributing to the decrease were a \$0.9 million decrease in salary and wages expense, and a \$0.6 million decrease in general and administrative expenses, both of which are 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 \$0.7 million compared to the same quarter in the prior year, due to lower open end mutual fund sales. Partially offsetting these decreases in expenses, net gains on investments were \$1.0 million lower than the same quarter in the previous year, and product development costs were \$0.6 million higher. The decrease in net gains on investment 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 \$0.1 million from the same period in the prior year. This movement can mostly be attributed to the decrease in revenue of \$4.2 million being more than offset by the overall net decrease across restructuring costs, general and salary and wages, general and administrative expenses, trailer fees, share based compensation, sub-advisory fees, net gains on investment, product development costs, and net income to non-controlling interest, totaling \$4.3 million.
- Adjusted EBITDA decreased by \$2.4 million compared to the same quarter in the previous year. The decrease can mainly be attributed to the \$4.2 million decrease in revenue, partially offset by the overall net decrease across general and administrative costs, salary and wages, trailer fees, share based compensation, sub-advisory fees, and product development costs, totaling \$1.8 million.
- The pre-tax operating loss decreased by \$1.3 million, from \$3.5 million in the same period in the prior year, to a pre-tax operating loss of \$2.2 million. Compared to the factors affecting Adjusted EBITDA described above, restructuring costs are included in the calculation of pre-tax operating earnings. Restructuring costs decreased by \$3.6 million compared to the same period in the prior year.

Financial Highlights for the six months ended June 30, 2016

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

	As at June 30 2016	As at June 30 2015	% change year-over- year
Assets under management (in billions)	\$ 2.14	\$ 4.00	-47%
Total assets	65,390	92,185	-29%
Shares outstanding	98,744	89,617	10%

For the six months ended

	June 30 2016	June 30 2015	% change year-over- year
Total revenues	\$ 11,828	\$ 20,507	-42%
Total expenses excluding finance (gain) expense	14,889	21,289	-30%
Total finance (gain) expense	2,103	2,118	-1%
(Loss) income before income taxes	\$ (5,164)	\$ (2,900)	78%
Income tax (recovery) expense	\$ (1,471)	\$ (1,015)	45%
Net (loss) income	\$ (3,693)	\$ (1,885)	96%
Net income to non-controlling interest	238	365	-35%
Net (loss) income to controlling interest	\$ (3,931)	\$ (2,250)	75%
Per share - Basic	\$ (0.040)	\$ (0.025)	60%
Per share - Diluted	\$ (0.040)	\$ (0.025)	60%
Cash dividends declared per share	\$ -	\$ 0.020	-100%
EBITDA	\$ (1,841)	\$ 331	-656%
Weighted average shares outstanding	98,682	89,338	10%

Financial Highlights for the six months ended June 30, 2016 (continued)

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

	Six months ended	
	June 30, 2016	June 30, 2015
<i>Net (loss) income before and after income taxes, Net (loss) income to controlling interest</i>		
Total revenues	\$ 11,828	\$ 20,507
Total expenses excluding finance expense and impairment losses	\$ 14,750	\$ 21,289
Total finance expense	2,103	2,118
Total impairment loss	139	-
Loss before income taxes	\$ (5,164)	\$ (2,900)
Income tax recovery	\$ (1,471)	\$ (1,015)
Net loss after income taxes	\$ (3,693)	\$ (1,885)
Net income to non-controlling interest	238	365
Net loss to controlling interest	\$ (3,931)	\$ (2,250)
<i>EBITDA, Adjusted EBITDA, Pre-tax operating earnings, and EBITDA Margin (non-GAAP measures)</i>		
Net (loss) income to controlling interest	(3,931)	(2,250)
Add: Finance expense	2,103	2,118
Add: Income tax recovery	(1,471)	(1,015)
Add: Amortization of intangible assets - finite	188	500
Add: Amortization of deferred sales commissions	1,138	834
Add: Depreciation of property and equipment	132	144
EBITDA	\$ (1,841)	\$ 331
Add: Impairment loss	139	-
Add: Restructuring costs	-	3,618
Add: Loss on sale of subsidiary	349	-
Add: Net (gains) on investments	(766)	(1,523)
Add: Share based compensation	172	272
Adjusted EBITDA	\$ (1,947)	\$ 2,698
Less: Performance fees	(33)	(309)
Less: Finance expense	(2,103)	(2,118)
Less: Restructuring costs	-	-
Pre-tax operating (loss) earnings	\$ (4,083)	\$ 271
<i>Per share results</i>		
Net loss per share - basic	\$ (0.040)	\$ (0.025)
Net loss per share - diluted	\$ (0.040)	\$ (0.025)
EBITDA per diluted share	\$ (0.019)	\$ 0.004
Adjusted EBITDA per diluted share	\$ (0.020)	\$ 0.030
Pre-tax operating (loss) earnings per diluted share	\$ (0.041)	\$ 0.003
<i>EBITDA Margin and Adjusted EBITDA Margin</i>		
EBITDA Margin (as a % of revenue)	-16%	2%
Adjusted EBITDA Margin (as a % of revenue)	-16%	13%

For the six month period ended June 30, 2016 and the same period in the prior year:

- Total revenue decreased by \$8.7 million compared to the same period in the prior year. \$0.9 million of the decrease is attributable to the end of the sub-advisory relationships with IA Clarington and CIBC. Decreases in management fees from open end and closed end managed funds of \$5.1 million were driven mainly by net redemptions since the second quarter of 2015. The sale of Aston Hill Securities Inc. accounted for \$1.0 million of the decrease. A further decrease of \$1.7 million is attributable to decreases across several revenue streams including pension management, oil and gas administration, and performance fees.
- Total expenses excluding finance expense decreased by \$6.4 million compared to the same period in the prior year. \$3.6 million of this decrease can be attributed to restructuring costs expensed in the second quarter of 2015 due to the consolidation of the Calgary office functions with the Toronto office, which included an onerous contract for the Calgary office space under lease, termination and related post-employment benefits, and legal and other costs. In the first quarter of 2016, the Company recorded a loss of \$0.3 million recorded on the sale of Aston Hill Securities Inc. and an impairment loss of \$0.1 million recorded in relation to the termination of a closed-end fund.
- If restructuring costs, finance expenses, the impairment loss and loss on sale of subsidiary are excluded from total expenses, there was a \$3.3 million decrease in total expenses compared to the same period in the prior year. Expenses of Aston Hill Securities Inc., which was sold on March 31, 2016, decreased by \$0.9 million compared to the six months ended June 30, 2015. Excluding the impact of the sale of Aston Hill Securities Inc., salaries and wages expense decreased by \$0.8 million and general and administrative expenses decreased by \$1.7 million. Within general and administrative expenses, office and marketing expenses have decreased by \$0.7 million and rent expense has decreased by \$0.4 million, with the latter mainly due to Calgary office leasing costs being recorded against the restructuring provision in the current period. Further, consulting expenses have decreased by \$0.9 million. Partially offsetting these decreases in items of general and administrative expense, was the impact of higher legal fees, which increased by \$0.5 million compared to the same period in the prior year. Trailer fee expenses decreased by \$1.2 million compared to the same period in the prior year and sub-advisory expenses were \$0.4 million lower. Partially offsetting the decreases experienced in most categories of expense were higher product development costs and lower net gains on investments compared to the same period in the prior year. Product development expenses were \$1.0 million higher than the same period in the prior year, as the company absorbed a higher level of expenses to maintain the management expense ratio of each of its primary funds at an acceptable level. The decrease of \$0.8 million in net gains on investment 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 decreased by \$2.2 million from the same period in the prior year. The decrease in total revenue of \$8.7 million was partially offset by a net decrease in total expenses affecting EBITDA. The largest reduction in these expenses included the restructuring costs of \$3.6 million and the decreases across salary and wages and general and administrative expenses, totaling \$3.3 million.
- Adjusted EBITDA decreased by \$4.6 million compared to the same period in the previous year. The change in Adjusted EBITDA is mainly attributable to the decrease of \$8.7 million in total revenue, partially offset by a net decrease in expenses affecting Adjusted EBITDA, of \$4.0 million. The largest changes in these items of expense included the decreases across salary and wages and general and administrative expenses, totaling \$3.3 million.
- Pre-tax operating earnings decreased by \$4.4 million, from \$0.3 million in the same period in the prior year, to a pre-tax operating loss of \$4.1 million. Compared to the change in Adjusted EBITDA, pre-tax operating earnings excludes the impact of the decrease in revenues from performance fees, of \$0.3 million.

Summary of Quarterly Results

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

Three months ended,	June 30, 2016	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014
Revenues	\$ 5,663	\$ 6,165	\$ 7,579	\$ 8,508	\$ 9,820	\$ 10,687	\$ 11,740	\$ 12,423
Expenses								
Salaries and wages	2,138	3,089	3,457	2,776	3,073	3,768	3,294	4,800
General and administrative	2,016	1,777	1,738	1,823	2,588	2,921	2,178	1,558
Restructuring costs	-	-	674	-	3,618	-	-	-
Sub-advisory expense	907	775	920	1,045	1,047	1,018	1,126	1,257
Product development	823	328	501	155	215	(95)	131	199
Share based compensation	243	(71)	232	280	97	175	222	173
Depreciation of property & equipment	66	66	79	71	72	72	105	119
Amortization of intangible assets - finite	85	103	251	250	250	250	299	298
Amortization of deferred								
sales commissions	585	553	954	560	453	381	355	326
Trailer fees	789	895	1,093	1,258	1,444	1,465	1,533	1,499
Net (gains) losses on investments	(246)	(520)	(692)	(863)	(1,243)	(280)	54	141
Finance (gain) expense	1,065	1,038	(2,382)	1,116	1,092	1,026	1,098	1,077
Impairment loss	-	139	15,873	-	-	-	-	-
Loss on sale of subsidiary	-	349	-	-	-	-	-	-
Total expenses	\$ 8,471	\$ 8,521	\$ 22,698	\$ 8,471	\$ 12,706	\$ 10,701	\$ 10,395	\$ 11,447
Income (loss) before income taxes	(2,808)	(2,356)	(15,119)	37	(2,886)	(14)	1,345	976
Income tax (recovery) expense	(662)	(809)	(2,860)	87	(975)	(40)	433	625
Net (loss) income for the period	\$ (2,146)	\$ (1,547)	\$ (12,259)	\$ (50)	\$ (1,911)	\$ 26	\$ 912	\$ 351
Net income (loss) to non-controlling interest	106	132	222	195	164	201	338	266
Net (loss) income to controlling interest	\$ (2,252)	\$ (1,679)	\$ (12,481)	\$ (245)	\$ (2,075)	\$ (175)	\$ 574	\$ 85
Net (loss) income - per share - basic	\$ (0.023)	\$ (0.017)	\$ (0.125)	\$ (0.003)	\$ (0.023)	\$ (0.002)	\$ 0.006	\$ 0.001
Net (loss) income - per share - diluted	\$ (0.023)	\$ (0.017)	\$ (0.125)	\$ (0.003)	\$ (0.023)	\$ (0.002)	\$ 0.006	\$ 0.001

Revenue

(in thousands of Canadian dollars)	Quarter ended		
	June 30, 2016	March 31, 2016	June 30, 2015
Revenue			
Management fees			
Open end funds	\$ 2,731	\$ 2,958	\$ 4,331
Closed end funds	2,199	2,245	3,392
Hedge Funds	51	56	102
Total management fees	\$ 4,981	\$ 5,259	\$ 7,825
Sub-advisory fees			
Open end funds	\$ 86	\$ 74	\$ 361
Closed end funds	65	72	120
Total sub-advisory fees	\$ 151	\$ 146	\$ 481
Other revenue and income	531	347	814
Brokerage	-	413	700
Total revenue	\$ 5,663	\$ 6,165	\$ 9,820

	Quarter ended		
	June 30, 2016	March 31, 2016	June 30, 2015
Fees as a percentage of total revenue			
Management fees			
Open end funds	48%	48%	45%
Closed end funds	39%	36%	35%
Hedge Funds	1%	1%	1%
Total management fees	88%	85%	81%
Sub-advisory fees			
Open end funds	2%	1%	4%
Closed end funds	1%	1%	1%
Total sub-advisory fees	3%	2%	5%
Other revenue and income	9%	6%	7%
Brokerage	-	7%	7%
Percentage of total revenue	100%	100%	100%

	Quarter ended		
	June 30, 2016	March 31, 2016	June 30, 2015
Fees as a percentage of Average AUM			
Management fees			
Open end funds	1.37%	1.46%	1.49%
Closed end funds	0.99%	1.01%	0.96%
Hedge funds	0.93%	1.02%	1.01%
Sub-advisory fees			
Open end funds	0.32%	0.29%	0.24%
Closed end funds	0.42%	0.44%	0.43%
Other revenue*	0.44%	0.36%	0.75%
Brokerage fees**	-	0.50%	0.50%
Total Revenue as a percentage of Total Average AUM*	1.01%	0.97%	0.97%

* 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 June 30, 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 \$0.3 million, or 5%, 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 and were consistent as a percentage of AUM quarter over quarter. For the current quarter, sub-advisory fees contributed 3% of Aston Hill's total revenue.

Other revenue increased by \$0.2 million, due to higher revenue from redemption fees. Other revenue as a percentage of average AUM increased slightly compared to the previous quarter.

Brokerage fees decreased by \$0.4 million compared to the prior quarter due to the sale of Aston Hill Securities Inc. on March 31, 2016.

For the quarter ended June 30, 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 \$2.8 million, or 36%. Open end fund management fees were \$1.6 million lower compared to the same period in the prior year, in line with the 32% decrease in average open end fund AUM. The decrease in the closed end fund management fees, of \$1.2 million was a result of the lower AUM due to redemptions that occurred since the end of the second quarter of 2015. 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 \$0.3 million compared to the same quarter in 2015, mainly as a result of the end of the sub-advisory relationship with CIBC in the third quarter of 2015.

Other revenue decreased by \$0.3 million. Performance fees decreased by \$0.1 million compared to the same period in the previous quarter. The remaining decrease is mainly attributable to several expiring mandates.

Brokerage fees decreased by \$0.7 million compared to the same period in the prior year due to the sale of Aston Hill Securities Inc. on March 31, 2016.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	June 30, 2016	December 31, 2015
Working capital	2,796	6,248
Total assets	65,390	72,110
Long term debt (convertible debentures)	27,700	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 June 30, 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 (June 30, 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 six month period ended June 30, 2016, the Company paid regular cash dividends of \$nil, compared to \$1.7 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 prior year at \$1.0 million (six months ended June 30, 2015 - \$1.2 million). This was mainly due to the principal balance of the convertible debentures decreasing since June 30, 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 July 1, 2015 to June 30, 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 \$0.2 million in the six month period ended June 30, 2016, compared to \$0.6 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 June 30, 2016								
	Total	2016	2017	2018	2019	2020	Thereafter	
Financial liabilities:								
Trade and other payables	\$ 2,770	\$ 2,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Convertible debentures								
-principal	33,710	-	-	-	33,710	-	-	-
-interest	6,574	1,096	2,191	2,191	1,096	-	-	-
Operating leases	5,507	894	980	1,002	986	821	824	
Forward purchase contract liability	686	686	-	-	-	-	-	
	\$ 49,247	\$ 5,446	\$ 3,171	\$ 3,193	\$ 35,792	\$ 821	\$ 824	

Summary Balance Sheet Data

(in thousands of Canadian dollars)			
	June 30, 2016		December 31, 2015
Current assets	\$	7,607	\$ 14,492
Non current assets		57,783	57,618
Total Assets	\$	65,390	\$ 72,110
Current liabilities	\$	4,811	\$ 8,244
Non current liabilities		38,223	37,671
Total Liabilities	\$	43,034	\$ 45,915
Non-controlling interest		317	317
Shareholders' equity		22,039	25,878
Total Liabilities & Shareholders' Equity	\$	65,390	\$ 72,110

The balance sheet for Aston Hill at June 30, 2016, reflects total assets of \$65.4 million, a decrease of \$7.2 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, 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 \$2.8 million, as a result of sale proceeds of \$3.0 million net of purchases of \$0.3 million and the unrealized change in market value of marketable securities. The carrying amount of deferred sales commissions decreased by \$1.0 million, due to year to date amortization of \$1.1 million, partially offset by sales commissions paid of \$0.2 million. Cash and cash equivalents decreased by \$0.9 million during the period. Contributing to the net decrease in cash were bonuses paid of \$1.6 million, interest paid on convertible debentures of \$1.0 million, and cash applied to the \$1.5 million reduction in non-cash working capital, partially offset by net proceeds on sales of investments of \$2.8 million. Partially offsetting these decreases in assets, was an increase of \$1.1 million in current income tax receivable.

Total liabilities decreased by \$2.9 million to \$43.0 million, at June 30, 2016 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. in the previous quarter, with the decrease 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 the date of sale, 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 \$0.7 million compared to the balance as at December 31, 2015. In addition, the total provision balance decreased by \$1.5 million, primarily due to the payment of the bonus provision in the first quarter of 2016. The year to date change in fair value of the forward purchase contract liability of \$0.7 million and a deferred tax recovery of \$0.4 million also contributed to the decrease in total liabilities. Partially offsetting these decreases in liabilities, was a \$1.6 million increase in the carrying value of the convertible debentures.

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

Shareholders' equity decreased by \$3.8 million during the six month period ended June 30, 2016. The net decrease is mainly attributable to the year to date net loss of \$3.9 million.

Controls and Procedures

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

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

Internal controls over financial reporting (“ICFR”) have been designed using the Committee of Sponsoring Organizations (“COSO”) 2013 framework in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. For the period ended June 30, 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 June 30, 2016 consist of \$1,711,000 (December 31, 2015 - \$2,206,000) in management fees, and other amounts due from funds under management. Trade and other payables as at June 30, 2016 includes \$927,000 (December 31, 2015 - \$879,000) in amounts due to funds under management.

For the three and six months ended June 30, 2016, \$5,018,000 (June 30, 2015 - \$7,963,000) and \$10,282,000 (June 30, 2015 - \$17,542,586) of revenue from management and other fees was from funds under management by the Company's subsidiaries. In addition, for the three and six months ended June 30, 2016, the Company absorbed \$823,000 (June 30, 2015 - \$222,000) and \$1,151,000 (June 30, 2015 - \$127,000) 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 June 30, 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 June 30, 2016, \$111,000 (December 31, 2015 - \$142,000) of trade and other payables related to the consulting fee payable to RJT. Total three and six month consulting fees incurred to date as of June 30, 2016 amount to \$239,000 (June 30, 2015 - \$396,000) and \$443,000 (June 30, 2015 - \$872,000).

- c) As at June 30, 2016, \$159,000 (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 parties. For the three and six months ended June 30, 2016, a net gain of \$29,000 (June 30, 2016 - net loss of \$146,000) and a net loss of \$68,000 (June 30, 2015 - net loss of \$118,000) 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 June 30, 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 June 30, 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 June 30, 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 was classified as a level 1 investment as the quoted market price was used to obtain the fair value of the investment at each period end. The investment in the Voya Global Income Solutions fund was redeemed in the second quarter of 2016. The remaining marketable securities comprise investments in funds which have been classified as level 2 investments. As at June 30, 2016, the Company’s investments at fair value through profit or loss totaled \$0.2 million (December 31, 2015 - \$3.0 million). During the six months ended June 30, 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 August 9, 2016	Common Shares Underlying Convertible Securities
Common shares	Unlimited	98,743,607	Not applicable
Stock options	Not applicable	5,809,999	5,809,999
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.

Company Contact: Derek Slemko, Chief Operating Officer, Chief Financial Officer

Company Address: Suite 2110, 77 King Street West, Toronto, Ontario, M5K 1G8

Company Phone Number: (416) 583-2300

Company Fax Number: 1-877-374-7952