Management Discussion and Analysis

For the three and nine month periods ended September 30, 2013

This management discussion and analysis ("MD&A") dated November 7, 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 nine month periods ended September 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 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 Sept 30, 2013		As at June 30, 2013		As at Sept 30, 2012	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	$	**7.89**	$	6.72	$	6.02	17%	31%
Total assets	$	**97,460**	$	65,289	$	63,601	49%	53%
Shares outstanding		**88,673**		73,281		72,398	21%	22%

For the quarter ended		Sept 30, 2013		June 30, 2013		Sept 30, 2012	% change quarter-over-quarter	% change year-over-year
Total revenues	$	**9,176**	$	7,686	$	6,195	19%	48%
Total expenses excluding finance expense		**7,046**		6,228		4,094	13%	72%
Total finance expense		**1,041**		1,052		1,052	-1%	-1%
Income (loss) before income taxes	$	**1,089**	$	406	$	1,049	168%	4%
Income taxes expense (recovery)	$	**646**	$	81	$	254	698%	154%
Net income (loss)	$	**443**	$	325	$	795	36%	-44%
Net income (loss) to non-controlling interest		**85**		(4)		-	0%	0%
Net income (loss) to controlling interest	$	**358**	**$**	**329**	$	795	9%	-55%
Per share - Basic	$	**0.004**	$	0.004	$	0.011	0%	-64%
Per share - Diluted	$	**0.004**	$	0.004	$	0.011	0%	-64%
Cash dividends recorded per share	$	**0.033**	$	0.025	$	0.010	33%	231%
EBITDA	$	**2,477**	$	1,819	$	2,376	36%	4%
Average shares outstanding		**81,027**		73,274		72,931	11%	11%

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") increased 17% from the second quarter of 2013 to $7.89 billion as at September 30, 2013. The increase in AUM is primarily attributable to the addition of $1.18 billion AUM from CC&L Capital Markets, and growth in the AUM of the mutual funds. Revenues on managed funds have increased $1.46 million from the second quarter of 2013. The increase in revenue is also attributable to the acquisition of the 13 closed end funds and two sub-advised funds of CC&L Capital Markets ("CC&LCM") on August 15, 2013. For the three and nine months ended September 30, 2013, the Company generated net subscriptions within its proprietary mutual funds of $76.41 million and $257.89 million, respectively.

Aston Hill's revenues for the third quarter of 2013 increased $1.49 million from the second quarter of 2013 and increased $2.98 million from one year ago. The increase in revenues year over year is the result of the addition of Argent Energy Trust ("Argent") to Assets Under Administration, the acquisition of CC&L Capital Markets renamed Aston Hill Capital Markets ("AHCM") and organic growth of the Company's existing Assets Under Management.

The $818,000 increase in expenses (excluding finance expense) quarter over quarter is primarily the result of increases in G&A expenses of $1.04 million and trailer fees of $127,000, which is offset by an increase in net profits on investments of $74,000 and a decrease in product development of $222,000. The year to year increase in expenses (excluding finance expense) of $2.95 million is primarily the result of increases in G&A expenses of $1.88 million and trailer fees of $452,000, and an increase in amortization of deferred sales commissions $173,000.

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"), Propel Capital ("Propel"), and BMO Nesbitt Burns ("BMO"). Nine licensed portfolio managers including Ben Cheng, Barry A. Morrison, Jeffrey Burchell, Andrew Hamlin, Vivian Lo, Robert Gill and Steve Vanatta 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 ("AHF CP") manages and provides sub-advisory services for five funds under the Company's AUM. AHF CP has one licensed portfolio manager, Alexander (Sandy) Liang in the Toronto office. AHF CP is 49% owned by a non-controlling interest.

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

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 September 30, 2013, Argent represented $593.5 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. Administrative services from Argent for the three and nine months ended September 30, 2013 totaled $500,000 and $1.5 million, respectively.

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 strategies to expand its institutional, private equity and brokerage lines of business.

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 under administration, was $7.89 billion as at September 30, 2013, an increase of 17% from the prior quarter and an increase of 31% from the prior year. The following table summarizes the AUM and various investment profiles managed by the Company:

Assets Under Management, Advisory, and Administration

(in millions of Canadian dollars)

	Sept 30 2013	June 30 2013	December 31 2012	Sept 30 2012
Assets Under Management, Advisory and Administration				
Financial Portfolio Management	**$ 3,289**	$ 2,220	$ 2,040	$ 1,989
Financial Portfolio Advisory	**4,005**	3,996	3,971	3,771
Assets Under Administration	**593**	502	448	260
Total Assets under Management, Advisory and Administration	**$ 7,887**	$ 6,718	$ 6,459	$ 6,020

On August 15, 2013, the Company completed its acquisition 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 closed on August 15, 2013, at which time AUM increased by $1.18 billion. CC&LCM was renamed Aston Hill Capital Markets Inc.

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 $19.04 million (the "Offering"). The underwriters also partially exercised an over-allotment option, by purchasing 1.70 million 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 $21.42 million. The remaining proceeds were used for the repayment of debt as well as 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
Australian Banc Capital Securities Trust
Australian Banc Income Fund
Build America Investment Grade Bond
Canadian 50 Advantaged Preferred Share Fund
Canadian Banc Capital Securities Trust
Hbanc Capital Securities Trust
ING Diversified Floating Rate Sr Loan Fund
ING Floating Rate Sr Loan Fund
Low Volatility Canadian Equities Income Fund
Macquarie Emerging Markets Infrastructure Income Fund
North American Financials Capital Securities Trust
North American Portfolio Trust
US Agency Mortgage Backed REIT Advantaged 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 Class
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
BMO Coxe Global Agribusiness Income Fund
BMO US Housing Recovery 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
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,		**Sept 30, 2013**		June 30, 2013		March 31, 2013		December 31, 2012
Revenues	**$**	**9,176**	$	7,686	$	7,276	$	6,438
Expenses								
General and administrative		**5,479**		4,440		4,547		4,729
Product Development		**117**		339		101		399
Share based compensation		**430**		483		454		384
Depreciation of property & equipment		**70**		117		77		155
Amortization of deferred sales commissions		**277**		244		181		123
Trailer fees		**748**		621		453		356
Commissions		**54**		39		41		47
Net losses (profits) on investments		**(129)**		(55)		(305)		152
Finance expense		**1,041**		1,052		1,040		949
Total expenses		**8,087**		7,280		6,589		7,294
Income (loss) before income taxes		**1,089**		406		687		(856)
Income taxes (recovery)		**646**		81		256		(109)
Net income (loss) for the period	**$**	**443**	$	325	$	431	$	(747)
Net income (loss) to non-controlling interest		**85**		(4)		-		-
Net income (loss) to controlling interest	**$**	**358**	$	329	$	431	$	(747)
Net income (loss) - per share - basic	**$**	**0.004**	$	0.004	$	0.006	$	(0.010)
Net income (loss) - per share - diluted	**$**	**0.004**	$	0.004	$	0.006	$	(0.010)

		Sept 30, 2012		June 30, 2012		March 31, 2012		December 31, 2011
Revenue	$	6,195	$	5,779	$	6,159	$	6,086
Expenses								
General and administrative		3,597		3,883		3,774		3,982
Product Development		269		132		121		397
Share based compensation		564		631		633		535
Depreciation of property & equipment		171		94		52		69
Amortization of deferred sales commissions		104		111		93		101
Trailer fees		296		204		170		67
Commissions		35		35		39		-
Net losses (profits) on investments		(942)		8		(76)		(546)
Finance expense		1,052		1,055		1,050		1,074
Total expenses		5,146		6,153		5,856		5,679
Income (loss) before income taxes		1,049		(374)		303		407
Income taxes (recovery)		254		(166)		726		476
Net income (loss) for the period	$	795	$	(208)	$	(423)	$	(69)
Net income (loss) to non-controlling interest		-		-		-		-
Net income (loss) to controlling interest	$	795	$	(208)	$	(423)	$	(69)
Net income (loss) - per share - basic	$	0.011	$	(0.003)	$	(0.006)	$	(0.001)
Net income (loss) - per share - diluted	$	0.011	$	(0.003)	$	(0.006)	$	(0.001)

For the quarter ended September 30, 2013, Aston Hill reported net income before income taxes of $1.09 million compared to $406,000 in the prior quarter due to the revenue increase of $1.49 million attributed to the acquisition of AHCM, offset by an increase in G&A expenses of $1.04 million, an increase in trailer fees of $127,000 and a decrease in product development expenses of $222,000. For the quarter ended September 30, 2013, Aston Hill reported a net income after tax to controlling interest of $358,000 ($0.004 per share) compared to $329,000 ($0.004 per share) for the prior quarter.

Finance expense of $1.04 million was recorded for the quarter ended September 30, 2013 compared with $1.05 million for the quarter ended June 30, 2013 and $1.05 million for the quarter September 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. 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 Sept 30, 2013	Quarter ended June 30, 2013	Quarter ended Sept 30, 2012	**9 months ended Sept 30, 2013**	9 months ended Sept 30, 2012
Income (loss) before income taxes	**$ 1,089**	$ 406	$ 1,049	**$ 2,184**	$ 977
Less:					
Service fee revenue	**-**	-	(83)	**-**	(131)
Add:					
Net losses (profits) on investments	**(129)**	(55)	(942)	**(489)**	(1,011)
Amortization of deferred sales commissions	**277**	244	104	**702**	308
Share based payments expense	**430**	483	564	**1,366**	1,828
Pre-tax operating earnings	**$ 1,667**	$ 1,078	$ 692	**$ 3,763**	$ 1,971
Per share	**$ 0.022**	$ 0.015	$ 0.009	**$ 0.050**	$ 0.027

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 $1.67 million in the third quarter of 2013, an increase of 55% from the second quarter of 2013 and an increase of 141% from the third quarter of the prior year. Quarter over quarter there was an increase in revenues of $1.49 million and an increase in G&A of $1.04 million resulting from the acquisition of AHCM, as well as an increase in the net profits on investment of $74,000, an increase of $33,000 in the amortization of the deferred sales commissions due to growth in the mutual fund AUM, and a decrease of $53,000 in the share based payments expense; the increase in income before income taxes will be discussed in greater detail below.

Pre-tax operating earnings for the nine months ended September 30, 2013, increased 91% over the nine months ended September 30, 2012. This is the result of an increase in revenues offset by an increase in G&A from the AHCM acquisition, as well as a decrease in share based payment expenses, a decrease in the net profits on investments and an increase in the amortization of deferred sales commissions. The deferred sales commissions have increased as the AUM in the mutual funds have experienced growth in the past year.

EBITDA

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

	Quarter ended Sept 30, 2013	Quarter ended June 30, 2013	Quarter ended Sept 30, 2012	**9 Months Ended Sept 30, 2013**	9 months ended Sept 30, 2012
Net Income (loss) for the period	**$ 443**	$ 325	$ 795	**$ 1,201**	$ 163
Add (deduct):					
Finance expense	**1,041**	1,052	1,052	**3,132**	3,158
Current Income tax expense	**355**	(36)	128	**442**	1,072
Future income tax expense (recovery)	**291**	117	126	**541**	(258)
Amortization of deferred sales commissions	**277**	244	104	**702**	308
Depreciation of property and equipment	**70**	117	171	**264**	318
EBITDA	**2,477**	1,819	2,376	**6,282**	4,761
Per diluted share	**$ 0.030**	$ 0.024	$ 0.032	**$ 0.084**	$ 0.064
EBITDA margin (as a % of revenue)	**27%**	24%	38%	**26%**	26%

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 depreciations of 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 September 30, 2013 was $2.48 million ($0.030 per share) compared with EBITDA of $1.82 million ($0.024 per share) for the quarter ended June 30, 2013 and $2.38 million ($0.032 per share) for the quarter ended September 30, 2012. The 36% increase from the prior quarter is primarily due to the revenue increase of $1.49 million from the acquisition of AHCM, offset by an increase in G&A expenses of $1.04 million, an increase in trailer fees of $127,000 and a decrease in product development expenses of $222,000. The 4% year-over-year increase in quarterly EBITDA is the result of an increase in revenues due to the addition of administrative fees generated on Assets Under Administration (Argent), the acquisition of AHCM, as well as organic growth of existing funds, which was partially offset by increased G&A expenses and trailer fees.

EBITDA for the nine months ended September 30, 2013, increased 32% over EBITDA for the nine months ended September 30, 2012. This is the result of an increase in revenues due to the addition of administrative fees generated on Assets Under Administration (Argent), the new income resulting from the acquisition of AHCM, as well as organic growth of existing funds, which was partially offset by increased G&A expenses and trailer fees.

EBITDA as a percentage of total revenues (EBITDA margin) for the third quarter of 2013 was 27%, compared to 38% from the same quarter last year and 24% from the prior quarter. The decrease in EBITDA as a percentage of revenues year-over-year is the result of an increase in G&A expense and trailer fees. The increase in EBITDA margin from the prior quarter is due to an increase in revenue offset by an increase in G&A expenses and trailer fees.

EBITDA as a percentage of total revenues for the nine months ended September 30, 2013, was 26% compared to 26% for the nine months ended September 30, 2012.

For the three and nine months ended September 30, 2013, the Company expensed $117,000 (September 30, 2012 - $269,000) and $557,000 (September 30, 2012 - $522,000) 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 Sept 30, 2013	Quarter ended June 30, 2013	Quarter ended Sept 30, 2012	**9 Months Ended Sept 30, 2013**	9 Months Ended Sept 30, 2012
Managed	**$ 5,541**	$ 3,839	$ 3,109	**$ 13,245**	$ 9,557
Advisory	**2,912**	3,124	2,725	**8,677**	8,213
Administration	**723**	723	361	**2,216**	361
Total revenues	**$ 9,176**	$ 7,686	$ 6,195	**$ 24,138**	$ 18,131

Revenues were $9.18 million for the quarter ended September 30, 2013, an increase of 48% from the $6.20 million earned during the quarter ended September 30, 2012 and up 19% from $7.69 million for the quarter ended June 30, 2013. The changes year-over-year were mainly attributable to the acquisition of AHCM, 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 $1,500,000 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 and administration fees from the Company's proprietary mutual funds, funds under advisory, and Assets Under Administration.

For the nine months ended September 30, 2013, revenue increased $6.01 million over the nine months ended September 30, 2012 due to the acquisition of AHCM, the addition of Argent as an Asset Under Administration as well as organic growth of existing funds

Expenses

G&A expenses were $5.48 million for the quarter ended September 30, 2013, an increase of 52% from the third quarter of 2012 and an increase of 23% from the prior quarter. The $1.04 million increase in G&A quarter over quarter is the result of an increase in salary expense from the additions to our sales department, and increases in consulting, office, legal and shareholder reporting expenses which was partially offset by a decrease in marketing expenses. The year to year increase in G&A expense of $1.88 million is primarily the result of increased employee headcount which is the result of managing a higher AUM.

G&A expenses for the nine months ended September 30, 2013, increased $3.22 million to $14.47 million over $11.25 million for the nine months ended September 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 $430,000 for the quarter ended September 30, 2013 compared with an expense of $564,000 in the quarter ended September 30, 2012 and $483,000 in the prior quarter. The decrease in share based payments over the prior year is due to the prior year expense being inclusive of one time stock based compensation issued in 2011 related to corporate acquisitions. In addition, the Company's share price volatility has been decreasing which has been reducing the Black-Scholes valuation of stock based compensation.

Share based compensation expense for the nine months ended September 30, 2013, decreased 25% to $1.37 million from $1.83 million for the nine months ended September 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 nine months ended September 30, 2013.

Liquidity and Capital Resources

Aston Hill generated $7.46 million of operating cash flow in the nine months ended September 30, 2013, up $1.72 million when compared with $5.74 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 interest payments on its convertible debenture, investments in marketable securities, funding of deferred 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.

Aston Hill paid deferred sales commissions of $501,000 in the three months ended September 30, 2013 compared to $469,000 in the prior period. 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 September 30, 2013 was $1.73 million. Marketable securities are primarily comprised of an investment in Argent. As at September 30, 2013, the Company's investment in Argent has a fair value of $1.72 million. During the third quarter of 2013, the Company recorded net realized and unrealized gains on its marketable securities of $36,000 compared to a loss of $45,000 in the previous quarter. The gain can largely be attributed to the disposal of a fund contract in Aston Hill Asset Management. The fund contract sold did not have any related AUM.

As at September 30, 2013, the Company's long-term investment in Journey Energy Inc. ("Journey") had an estimated fair value of $7.45 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 September 30, 2013 of $854,000. 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)

	Sept 30, 2013	June 30, 2013	December 31, 2012
Current Assets	**$ 13,443**	$ 8,694	$ 9,662
Non current assets	**84,017**	56,595	55,579
Total Assets	**$ 97,460**	$ 65,289	$ 65,241
Current liabilities	**$ 6,288**	$ 5,228	$ 6,964
Non current liabilities	**50,766**	39,923	38,898
Total Liabilities	**$ 57,054**	$ 45,151	$ 45,862
Non-controlling interest	**193**	98	102
Shareholders' Equity	**40,213**	20,040	19,277
Total Liabilities & Shareholders' Equity	**$ 97,460**	$ 65,289	$ 65,241

The balance sheet for Aston Hill at September 30, 2013 reflects total assets of $97.46 million, an increase of $32.22 million from $65.24 million at December 31, 2012. This change can be attributed to an increase in long term assets of $28.44 million, primarily due to a $27.27 million increase in intangible assets from the acquisition of AHCM, along with a $3.78 million increase in current assets due to a $3.62 million increase in cash which is primarily due to the exercise of the overallotment option of the public offering completed in the period.

Accounts receivable increased $1.35 million to $5.51 million at September 30, 2013 from $4.16 million at December 31, 2012. The increase relates to a $1.22 million receivable from the Aston Hill funds under management compared to $898,000 at December 31, 2012 and an increase of $527,000 in administration and cost recoveries from Argent.

Total liabilities increased $11.19 million to $57.05 million at September 30, 2013 from $45.86 million at December 31, 2012. The primary contributors to this increase were an increase in trade and other payables of $2.04 million, an increase in the deferred tax liability of $7.49 million and the introduction of the $3.93 million forward purchase contract liability from the acquisition of AHCM, offset by repayments of the term credit facility of $1.40 million and revolving line of credit of $1.0 million. At September 30, 2013, the Convertible Debentures debt component had a carrying value of $35.32 million (December 31, 2012 - $34.87 million), the revolving line of credit had a carrying value of $nil (December 31, 2012 - $1.00 million) and the term credit facility had a carrying value of $nil (December 31, 2012 - $1.40 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 $4.00 million to $6.00 million. There is currently $nil drawn on this line of credit.

Aston Hill's annualized debt-to-EBITDA ratio excluding the Convertible Debentures as at September 30, 2013 was nil to 1. 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 $4.60 billion.

Shareholders' equity increased by $20.94 million during the nine months ended September 30, 2013 mainly as a result of an increase in share capital of $21.12 million, an increase of contributed surplus of $1.02 million, and an increase in other comprehensive income of $727,000, offset by dividends paid of $2.94 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 and financial statements.

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, industry regulations, 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 and financial statements 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 Sept 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		$ 3,392	$ 3,392	$ 3,392	$ -	$ -	$ -
Term credit facility	-principal	-	-	-	-	-	-
	-interest	-	-	-	-	-	-
Revolving line of credit		-	-	-	-	-	-
Convertible debentures	-principal	35,321	35,321	-	-	35,321	-
	-interest		8,050	2,621	5,181	248	-
		$ 38,713	**$ 46,763**	**$ 6,013**	**$ 5,181**	**$ 35,569**	**$ -**

Related Party Transactions

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 September 30, 2013 is $2.43 million (December 31, 2012 - $381,000). Other amounts due to funds under management recorded in accounts payable as at September 30, 2013, was $234,000 (December 31, 2012 - $358,000). For the three and nine month periods ended September 30, 2013, $5.54 million (September 30, 2012 - $2.94 million) and $13.24 million (September 30, 2012 - $9.01 million), respectively, was recorded as revenue in respect of these management fees. In addition, for the three and nine month periods ended September 30, 2013, the Company absorbed $117,000 (September 30, 2012 - $269,000) and $557,000 (September 30, 2012 - $522,000), respectively, of expenses incurred by funds under management.

b) As at September 30, 2013, the Company had accounts receivable from Argent, a company under common management of $1.15 million (December 31, 2012 - $808,000) and Argent RTUs receivable of $278,000 (December 31, 2012 - $346,000). The Company has an Administrative Services Contract (the "Contract") in which the Company has recorded administration charges for the three and nine month periods ended September 30, 2013 of $500,000 (September 30, 2012 - $175,000) and $1.50 million (September 30, 2012 - $175,000), respectively. For the three and nine months ended September 30, 2013, $223,000 (September 30, 2012 - $186,000) and $716,000 (September 30, 2012 - $186,000), respectively, of revenue related to Argent RTUs. For the three and nine month periods ended September 30, 2013, the Company recorded $596,000 (September 30, 2012 - $1.08 million) and $1.27 million (September 30, 2012 - $1.41 million) 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 September 30, 2013, the closing bid price for Argent per unit on the TSX was $10.13 (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 nine month periods ended September 30, 2013 $nil (September 30, 2012 - $nil) and $nil (September 30, 2012 - $351,000), respectively, was recorded as revenue.

d) During the nine months ended September 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 September 30, 2013, $11,000 (December 31, 2012 - $7,000) of trade and other receivables and $91,000 (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

On July 23, 2013 Aston Hill signed a new lease agreement for the Calgary head office, which will commence April 1, 2014 and will expire March 31, 2022. As per the terms of the lease Aston Hill has committed to base rent of $322,000 per year for the first 4 years, and $342,000 per year for the final 4 years.

Subsequent Events

On October 16, 2013, the Company renewed its notice of intention to make a normal course issuer bid for a portion of its common shares and 6% extendible convertible unsecured subordinated debentures. The Company intends to acquire up to 5,412,000 common shares and $4,014,000 principle amount of convertible debentures in the 12 month period commencing October 18, 2013 and ending on October 17, 2014 which represents 10% of the public float of outstanding and common shares and convertible debentures.

On October 24, 2013, the Company received TSX approval to issue 1,304,844 shares at $1.40 per share from treasury in connection with an investment advisor's employment agreement and the related acquisition of assets under administration.

Significant Accounting Policies & Estimates

The September 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. 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 which 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.

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.

<u>IFRS 10 – Consolidation</u>

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*.

As a result of this adoption, the December 31, 2012 balance sheet adjusted to reclassify $604,000 of seed capital in Aston Hill’s proprietary funds from investments at fair value through income or loss to cash and cash equivalents. This reclassification entry was required to recognize that the funds are now required to be consolidated with Aston Hill’s financial results in accordance with the new consolidation guidelines under IFRS 10.

<u>IFRS 13 - Fair Value Measurement</u>

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.

<u>Amendments</u>

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 September 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 November 6, 2013	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		90,315,000	Not applicable
Stock options	Not applicable		6,533,000	6,533,000
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$	40,226,000	15,775,000

[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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