Management Discussion and Analysis

For the three and nine month period ended September 30, 2014

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated November 4, 2014 presents the financial conditions, changes in financial condition and results of operations for Aston Hill Financial Inc. ("Aston Hill" or the "Company") and should be read in conjunction with the unaudited interim consolidated financial statements and accompanying notes of the Company for the three and nine month periods ended September 30, 2014 as well as the audited consolidated financial statements for the year ended December 31, 2013. 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 (Loss) 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.

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 and net losses (profits) on investments in order to provide users with an additional measure of its operations for the period.

EBITDA Margin

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

Pre-Tax Operating Earnings

Aston Hill uses pre-tax operating earnings to assess its underlying profitability before income taxes, excluding service fee revenue, non-cash management fees, performance fees and investment gains, investment losses, amortization of deferred sales commissions, depreciation of property and equipment, amortization of intangible assets with finite life and share based compensation.

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 mutual funds. In addition, Aston Hill's services also include high net worth investment management, institutional investment management, portfolio advisory services, oil and gas administration and other fee based investment products in Canada. Management does not consider these different types of clients to be distinct reportable business segments for accounting purposes as Aston Hill operates as a single business line, under the same senior management team and with one fundamental business philosophy at this time.

During the third quarter of 2014, financial results were impacted by the following:

- Aston Hill continued its efforts to expand its suite of open end funds within Financial Portfolio Management, with gross sales of $120.0 million netted against $28.0 million of redemptions in the period for a total net sales of $92.0 million. Market performance for open end funds resulted in a decrease of $12.0 million as a result of slower markets in the summer months.
- Pensions and private client funds within Financial Portfolio Management, increased by net $110.0 million from the prior quarter mainly due to growth in Aston Hill Securities Inc. ("AHS").

- In the third quarter, closed end funds within Financial Portfolio Management, had redemptions of $308.0 million and sales of $2.0 million in the third quarter which resulted in a net redemption of $306.0 million. The Company does not consider the volume of redemptions to be an indicator of the fund's performance as it was the result of a warrant offering earlier in the year. In addition, market performance for closed end funds resulted in a decrease of $51.0 million due to slower markets in the summer months.
- AUM for Financial Portfolio Advisory funds decreased by $198.0 million mostly due to redemptions in IA Clarington funds.
- Managed fund (open and closed end) revenue as a percentage of total revenue was 78% compared to 60% in the same quarter of the prior year.
- Advisory revenue as a percentage of total revenue was 21% compared to 32% in the same quarter of the prior year.
- General and administrative expenses increased $0.4 million due to a one-time employee compensation cost that was partially offset by an unrelated insurance recovery. The remainder of the increase in general and administrative expense was due to an increase of $0.3 million in provisions and $0.2 million in sales commissions.
- The Company repurchased 228,000 common shares through its normal-course issuer bid for a total transaction cost of $271,000 excluding commission expenses.

Financial Portfolio Management, Advisory and Brokerage

Aston Hill Asset Management Inc. ("AHAM"), is a Toronto-based registered Investment Fund Manager ("IFM") specializing in the development, sales, and management of closed end investment funds, open end 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"), 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, John Kim 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 ("AHFCP") manages and provides sub-advisory services for five 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. ("RJT"), a related party that represents the non-controlling interest.

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

AHS (formerly Citadel Securities Inc.) is a full service investment dealer, and a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"). AHS provides professional, personalized trading and investment services to private investors.

Oil & Gas Property Management

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

The Company provides administrative services under an administration services contract with Argent Energy Trust (“Argent”), a Canadian energy trust that is not a specified investment flow-through (“SIFT”) trust, which expires August 12, 2015. Argent holds oil and gas assets in the United States and provides its unit holders with a monthly distribution.

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 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 are generally 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 funds at set percentage rates and are recognized on an accrual basis. The oil and gas administration fee is calculated on a tiered set fee, based on the enterprise value of Argent. The Company may also earn other income or incur losses from its cash balances and its investments, if any, which include newly seeded portfolios.

Aston Hill’s expenses include salaries and benefits (which contain an incentive component that may fluctuate based on the overall performance of the Company), product development, general and administrative expenses, share based compensation, depreciation of property and equipment, amortization of finite life intangible assets, amortization of deferred sales commissions and trailer fees. Trailer fees are paid on the net subscriptions of open end funds and therefore fluctuate with fluctuations 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 income and structured products, resource investments, and the oil and gas industry, 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.

On August 15, 2013, the Company closed the acquisition of Connor, Clark and Lunn Capital Markets Inc. (“CC&LCM”) and acquired 80% of the issued and outstanding common shares of CC&LCM for cash consideration of $16.4 million, as well as entered into a forward purchase contract to purchase the remaining 20% of CC&LCM for $4.1 million. 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 $19.0 million (the "Offering"). The underwriters also partially exercised an over-allotment option, by purchasing 1.7 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 $21.4 million. The remaining proceeds were used for the repayment of debt as well as working capital and general corporate purposes.

Market Outlook and Business Environment

Market Outlook

After an impressive first half of the year for Canadian Indices, the TSX Composite Index rolled over in September leaving the Index down 1.2% for the third quarter. Overbought conditions began unwinding due to rising geopolitical tensions coupled with concerns over weakness in the Eurozone and perpetuated by weak economic data out of China. Despite the weakening of investor confidence in the outlook for global growth, the U.S. economy is fundamentally strong, Europe is moving slowly in the right direction and central banks remain accommodative. In addition, the current commodity decline is seen as a result of supply rather than demand and will therefore benefit consumers in the future. Despite some minor downgrades in the outlook for global growth, the underlying support remains with accommodative central banks, low inflation, and US economic potency to forecast a largely constructive landscape. The International Monetary Fund has indicated that the world economy will advance 3.3% in 2014 with a growth of 3.8% in the next year. Aston Hill's team continues to focus on generating consistent risk adjusted returns for investors based on proactive adjustments to economic indicators.

Business Outlook

During the final quarter of 2014, the Company's focus will continue to be on its financial portfolio management operations. The Company has seen substantial growth in its open end funds in 2014 and hopes to continue this trend into 2015 as two new wholesalers were hired in the second quarter of 2014 to cover British Columbia and Quebec in order to access a wider Canadian market. Aston Hill also has plans to launch new managed funds in the fourth quarter of 2014 with a focus on the energy sector.

Operating Highlights

Assets under Management, Advisory and Administration

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

(in millions of Canadian dollars)	**September 30, 2014**	June 30, 2014	December 31, 2013	September 30, 2013
Assets Under Management, Advisory and Administration				
Financial Portfolio Management	**$ 3,418**	$ 3,585	$ 3,372	$ 3,289
Financial Portfolio Advisory	**3,511**	3,709	3,936	4,005
Assets Under Administration	**124**	189	466	593
Total Assets under Management, Advisory and Administration	**$ 7,053**	$ 7,483	$ 7,774	$ 7,887

Average Assets under Management, Advisory and Administration

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 and is summarized below:

(in millions of Canadian dollars)		**September 30, 2014**		June 30, 2014		December 31, 2013		September 30, 2013
Average Assets Under Management, Advisory and Administration								
Financial Portfolio Management	**$**	**3,470**	$	3,437	$	3,442	$	2,839
Financial Portfolio Advisory		**3,601**		3,730		3,951		4,002
Assets Under Administration		**149**		179		483		561
Total Average Assets under Management, Advisory and Administration	**$**	**7,220**	$	7,346	$	7,876	$	7,402

For the three month period ended September 30, 2014:

- Despite slower market conditions in the third quarter, the Company continued to grow its open end funds AUM by $80.0 million due to net sales of $92.0 million and a decrease in market performance of $12.0 million.
- During the third quarter of 2014, the Company saw a total net decrease in period end AUM of $430.0 million (6%), mostly due to annual redemptions in closed end funds which contributed to a decrease of $357.0 million in Financial Portfolio Management AUM. This was netted against the increase in open end funds and pension and private clients of $80.0 million and $110.0 million respectively. The redemptions were atypical due to a warrant issuance earlier in the year which resulted in an unusually high volume of redemptions. Other decreases in the 3 month period can be attributed to decreases of $198.0 million and $65.0 million in Financial Portfolio Advisory and Assets Under Administration. The decreases are mainly the result of IA Clarington sub-advised fund redemptions and a decline in Argent Energy Trust's unit price in the period.
- The net decrease of $126.0 million in average AUM quarter over quarter was lower than the period end decrease as the majority of redemptions took place in the latter half of the quarter. Average AUM for Financial Portfolio Management increased by $33.0 million from the prior quarter as a result. This was netted against an average AUM decrease of $129.0 million and $30.0 million in Financial Portfolio Advisory and Assets Under Administration.
- AUM in the third quarter of 2014 was lower than the same period in the prior year by $0.8 million. The change in ending AUM between the third quarter of 2014 and the prior year was due to a decrease in Financial Portfolio Advisory of $0.5 million and Assets Under Administration of $0.4 million. This decrease in AUM was partially offset by the increase in Financial Portfolio Management of $0.1 million. This decrease in AUM did not significantly impact revenue as the increase in Financial Portfolio Management resulted in a higher revenue margin.
- Average AUM in the third quarter of 2014 was lower than the same period in the prior year by $0.2 million as a result of a decrease in average AUM of $0.4 million for Financial Portfolio Advisory and a decrease of $0.4 million for Assets Under Administration. This was netted against an increase in Financial Portfolio Management of $0.6 million. As such, the decrease did not significantly impact revenue as the increase in Financial Portfolio Management resulted in a higher revenue margin.

Breakdown of Managed and Sub-Advised Funds and Assets Under Administration

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
Euro Bank Capital Securities Trust
Hbanc Capital Securities Trust
ING Diversified Floating Rate Senior Loan Fund
ING Floating Rate Senior Loan Fund
ING High Income Floating Rate Fund
Low Volatility Canadian Equities Income Fund
Macquarie Emerging Markets Infrastructure Income Fund
Macquarie Global Infrastructure Income Fund
North American Financials Capital Securities Trust
US Agency Mortgage Backed REIT Advantaged Fund

Mutual funds:

Aston Hill Growth & Income Fund & Class
Aston Hill Canadian Total Return Fund
Aston Hill Capital Growth Fund & Class
Aston Hill Strategic Yield Fund & Class
Aston Hill Strategic Yield II Fund & Class
Aston Hill Global Growth & Income Fund & Class
Aston Hill Global Resource & Infrastructure Fund & Class
Aston Hill Energy Growth Class

Hedge funds:

Aston Hill Opportunities Fund
AHF Credit Opportunities Fund

Financial Portfolio Advisory:

Closed end funds:

Star Yield Trust
First Asset Preferred Share Investment Trust
Strategic Income Allocation Fund
Coxe Global Agribusiness Income Fund
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
Renaissance Millennium High Income Fund
Redwood Income Strategies Class
Lonsdale Balanced Tactical Fund
Newport Yield Fund

Assets Under Administration:

Argent Energy Trust

Financial Highlights

(in thousands, except assets under management and per share amounts)	**As at September 30, 2014**	As at June 30, 2014	As at September 30, 2013	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$ 7.05**	$ 7.48	$ 7.89	-6%	-11%
Total assets	**97,575**	97,138	97,460	0%	0%
Shares outstanding	**89,297**	89,351	88,673	0%	1%

Revision of prior period financial statements have been reflected in the three month period ended September 30, 2013 as disclosed in Note 3 of the Condensed Interim Consolidated Financial Statements

For the three months ended	**September 30, 2014**	June 30, 2014	September 30, 2013	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 12,400**	$ 12,151	$ 9,176	2%	35%
Total expenses excluding finance expense	**10,347**	9,463	7,046	9%	47%
Total finance expense	**1,077**	834	1,041	29%	3%
Income (loss) before income taxes	**$ 976**	$ 1,854	$ 1,089	-47%	-10%
Income tax expense (recovery)	**$ 625**	$ 560	$ 570	12%	10%
Net (loss) income	**$ 351**	$ 1,294	$ 519	-73%	-32%
Net income to non-controlling interest	**266**	267	85	0%	213%
Net (loss) income to controlling interest	**$ 85**	$ 1,027	$ 434	-92%	-80%
Per share - Basic	**$ 0.001**	$ 0.011	$ 0.005	-91%	-81%
Per share - Diluted	**$ 0.001**	$ 0.011	$ 0.005	-91%	-81%
Cash dividends declared per share	**$ 0.015**	$ 0.015	$ 0.0125	0%	20%
EBITDA	**$ 2,796**	$ 3,403	$ 2,477	-18%	13%
Weighted average shares outstanding	**89,327**	89,554	81,027	0%	10%

Revision of prior period financial statements have been reflected in the nine month period ended September 30, 2013 as disclosed in Note 3 of the Condensed Interim Consolidated Financial Statements

For the nine months ended	**September 30, 2014**	September 30, 2013	% change year-over-year
Total revenues	**$ 35,619**	$ 24,138	48%
Total expenses excluding finance expense	**29,361**	18,822	56%
Total finance expense	**3,175**	3,132	1%
Income before income taxes	**$ 3,083**	$ 2,184	41%
Income tax expense	**1,445**	755	91%
Net income (loss)	**$ 1,638**	$ 1,429	15%
Net income to non-controlling interest	**732**	81	804%
Net income (loss) to controlling interest	**$ 906**	$ 1,348	-33%
Per share - Basic	**$ 0.010**	$ 0.018	-43%
Per share - Diluted	**$ 0.010**	$ 0.017	-43%
Cash dividends recorded per share	**$ 0.045**	$ 0.033	38%
EBITDA	**$ 8,363**	$ 6,282	33%
Weighted average shares outstanding	**89,617**	75,778	18%

Results of Operations

Overall Performance

For the three and nine month periods ended September 30, 2014, Aston Hill's revenue has increased substantially from the same period in the prior year due to its focus on its financial portfolio management operations. The acquisition of AHCM in the third quarter of 2013 brought an increase in revenue from the management fees on the acquired closed end funds. Growth in AUM for managed open end funds in the three months ended September 30, 2014 resulted in a slight revenue growth from the prior quarter. In addition, general and administrative expenses have increased due to compensation for additional employees for the sales team and increases in consulting, office, legal and shareholder reporting expenses.

Pre-Tax Operating Earnings

(in thousands of Canadian dollars, except per share amounts)										
		Quarter ended						**Year to date**		
		September 30, 2014		June 30, 2014		September 30, 2013		**September 30, 2014**		September 30, 2013
Income (loss) before income taxes	**$**	**976**	$	1,854	$	1,089	**$**	**3,083**	$	2,184
Add:										
Net losses (gains) on investments		**118**		111		(129)		**513**		(489)
Amortization of deferred sales commissions		**326**		307		277		**892**		702
Amortization of intangibles - finite life		**298**		299		-		**897**		-
Amortization of property and equipment		**119**		109		70		**316**		264
Share based payments expense		**173**		351		430		**883**		1,366
Pre-tax operating earnings	**$**	**2,010**	$	3,031	$	1,737	**$**	**6,584**	$	4,027
Per share		**0.023**		0.034	$	0.021	**$**	**0.073**	$	0.053

Pre-tax operating earnings, as set out in the table above, was $2.0 million for the quarter ended September 30, 2014, which is a decrease of $1.0 million or 34% from the prior quarter and a $0.3 million (or 16%) increase from the same period in the prior year. The change in pre-tax operating earnings can mainly be attributed to an increase in general and administrative expenses of net $0.4 million from the prior quarter due to a non-recurring employee compensation cost that was partially offset by an unrelated insurance recovery. The Company had made an accrual as at December 31, 2013 for a fund compliance expense of $0.7 million which included a $0.2 million insurance deductible. The $0.5 million of compliance expense was recovered through an insurance recovery in the current period. The remainder of the increase in general and administrative expenses related to an increase to the employee incentive provision accrual of $0.3 million, and a $0.2 million increase in sales commissions. The change from the same period in the prior year is due to an increase in revenue of $3.2 million which was mainly offset by an increase in general and administrative expenses of $1.0 million, sub-advisory expenses of $1.1 million and trailer fees of $0.8 million.

Year to date pre-tax operating earnings increased by $2.6 million from the same period in the prior year mainly due to the increase in revenue of $11.5 million netted against the increase in general and administrative expenses of $3.6 million, sub-advisory expenses of $3.2 million and the increase in trailer fee expenses of $2.1 million. The increase in revenue is mostly attributable to the acquisition of AHCM in the third quarter of 2013 and the continued focus on open end fund sales.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per share amounts)								
Three months ended,	**Sept 30, 2014**	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013	Mar 31, 2013	Dec 31, 2012
Revenues	**$ 12,400**	$ 12,151	$ 11,068	$ 11,424	$ 9,176	$ 7,686	$ 7,276	$ 6,438
Expenses								
General and administrative	**6,352**	5,451	5,718	6,538	5,337	4,205	4,347	4,191
Sub-advisory expense	**1,257**	1,285	1,253	1,229	142	235	200	538
Product Development	**199**	143	135	200	117	339	101	399
Share based compensation	**173**	351	359	128	430	483	453	384
Depreciation of property & equipment	**119**	109	88	133	70	117	77	155
Amortization of intangible assets - finite	**298**	299	300	480	-	-	-	-
Amortization of deferred sales commissions	**326**	307	259	178	277	244	181	123
Trailer fees	**1,499**	1,360	1,102	894	748	621	454	356
Commissions	**6**	47	53	45	54	39	40	47
Net losses (profits) on investments	**118**	111	284	172	(129)	(55)	(305)	152
Finance expense	**1,077**	834	1,264	1,152	1,041	1,052	1,039	949
Total expenses	**$ 11,424**	$ 10,297	$ 10,815	$ 11,149	$ 8,087	$ 7,280	$ 6,587	$ 7,294
Income (loss) before income taxes	**976**	1,854	253	275	1,089	406	689	(856)
Income taxes (recovery)	**625**	560	260	486	570	5	180	(185)
Net income (loss) for the period	**$ 351**	$ 1,294	$ (7)	$ (211)	$ 519	$ 401	$ 509	$ (671)
Net income (loss) to non-controlling interest	**266**	267	199	270	85	(4)	-	-
Net (loss) income to controlling interest	**$ 85**	$ 1,027	$ (206)	$ (481)	$ 434	$ 405	$ 509	$ (671)
Net (loss) income - per share - basic	**$ 0.001**	$ 0.011	$ (0.002)	$ (0.006)	$ 0.005	$ 0.006	$ 0.007	$ (0.009)
Net (loss) income - per share - diluted	**$ 0.001**	$ 0.011	$ (0.002)	$ (0.006)	$ 0.005	$ 0.005	$ 0.007	$ (0.009)

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

The Company has assessed for materiality in accordance with IAS 1 and has concluded that it was not material to any of the prior period Consolidated Financial Statements or to the trend in earnings. As such, Aston Hill considered the effects of the prior year misstatements and has revised its comparative Consolidated Financial Statements as initially reported, to correct for the recognition of the deferred tax liability. The comparative deferred tax expense, net income (loss) for the period and net income (loss) to controlling interest were the only financial line items that were impacted by the change. Please refer to note 3 of the Condensed Interim Consolidated Financial Statements for illustrations of the effect of this correction on individual financial statement line items.

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

Revenue

(in thousands of Canadian dollars)	Quarter ended			Year to date	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Managed	**$ 9,644**	$ 9,220	$ 5,541	**$ 26,755**	$ 13,245
Advisory	**2,599**	2,654	2,912	**7,891**	8,677
Administration	**157**	277	723	**973**	2,216
Total revenues	**$ 12,400**	$ 12,151	$ 9,176	**$ 35,619**	$ 24,138

	Quarter ended			Year to date	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Managed	**78%**	76%	60%	**75%**	55%
Advisory	**21%**	22%	32%	**22%**	36%
Administration	**1%**	2%	8%	**3%**	9%
Total revenues	**100%**	100%	100%	**100%**	100%

Revenues were $12.4 million for the quarter ended September 30, 2014, an increase of 2% from the $12.2 million from the prior quarter despite the decrease in period ending AUM. The increase in total revenue can be attributed to managed fund revenue which is calculated based on average daily NAV. Therefore, average AUM balances are generally a better indicator of revenue performance in the period. The net effect of the changes in average AUM for Q3 2014 remained relatively consistent with the prior quarter for total Financial Portfolio Management. This consisted of average AUM increasing by $99.0 million in open end funds and pension increasing by $47.0 million, while closed end fund average AUM decreased by $113.0 million. The management fee rates for open end funds are between the range of 1%(100 bps) to 2%(200 bps) while closed end funds generally charge management fee rates below 1%(100 bps). Therefore, total managed revenue for the period continued to increase despite the drop in AUM. Advisory fees decreased in the current period due to the decrease in average AUM. In addition, administration revenue continued to decrease due to Argent Energy Trust’s unit price, which resulted in a decrease in the restricted trust unit revenue of $0.1 million.

Revenue increased by $3.2 million and $11.5 million for the three and nine months ended September 30, 2014 from the same periods in the prior year. This can mainly be attributed to the acquisition of AHCM during the third quarter of the prior year which resulted in AHCM revenue being generated for only half of the quarter. AHCM revenue for the three and nine months ended September 30, 2014 was $2.9 million and $8.5 million respectively. The prior year revenue attributable to AHCM in the three months and nine months ended September 30, 2013 was $0.8 million. The remaining increase in revenue is due to internal growth in closed end and open end funds managed AUM.

Managed revenue as a percentage of total revenue increased from 60% for the third quarter in 2013 to 78% in the third quarter of 2014. Advisory and administration revenue as a percentage of total revenue dropped from 40% in 2013 to 22% in the same period in 2014.

Year to date managed revenue increased to 75% of total revenue compared to the 55% in the prior year. Advisory and administration revenue dropped to 25% compared to 45% in the same period of the prior year.

Expenses

Total expenses increased by $1.1 million for the quarter ended September 30, 2014 compared to the prior quarter primarily due to:

- General and administrative expenses increased by net $0.4 million in the current period due to a one-time employee compensation cost that was partially offset by an unrelated insurance recovery. The Company had made an accrual as at December 31, 2013 for a fund compliance expense of $0.7 million which included a $0.2 million insurance deductible. The $0.5 million of compliance expense was recovered through an insurance recovery in the current period. In addition, every quarter, an employee incentive provision is calculated based on year to date EBITDA which is adjusted in the quarter to reflect the year to date estimate which contributed to $0.3 million of the increase for the quarter. Sales commissions increased by $0.2 million due to increased sales in open end funds.
- Finance expense was $0.2 million higher in the current quarter due to an adjustment of the year to date finance expense balance in the prior quarter. Future finance expenses are expected to remain consistent with the third quarter unless the Company draws on its revolving credit facility.
- Trailer fees are paid on net open end fund subscriptions and therefore correlates with the movement in open end funds. For the third quarter, trailer fees increased by $0.1 million or 10% compared to the prior quarter which is consistent with the 10% increase in open end fund revenue.
- The increase in expenses discussed above is mitigated by a $0.2 million decrease in share based compensation in the period. This was due to a large stock option and deferred share unit forfeiture in the period.

Total expenses increased by $3.3 million and $10.6 million for the three and nine months ended September 30, 2014 compared to the same periods in the prior year as a result of:

- General and administrative expenses increased by $1.0 million in the three month period as the result of a $1.3 million increase in compensation due to the acquisition of AHCM in Q3 2013. As the acquisition took place halfway through the third quarter, the new employee compensation was only accounted for in the latter half of the quarter. Higher sales commission in the quarter due to growth in sales also contributed to the increase in compensation expense. In addition, a one-time employee compensation cost was partially offset by an unrelated insurance recovery with a net effect of $0.4 million in the period. The Company had made an accrual as at December 31, 2013 for a fund compliance expense of $0.7 million which included a $0.2 million insurance deductible. The $0.5 million of compliance expense was recovered through an insurance recovery in the current period. This was mainly offset by higher legal fees of $0.2 million in the same period in prior year due to the AHCM acquisition.
- General and administrative expenses increased by $3.6 million in the nine month period primarily as a result of a $3.5 million increase in salary and consulting fee expenses. The current nine-month salary expense includes all AHCM employees while in 2013 the salary balance only included one and a half months of AHCM employee salary expense. In addition, the Company has hired additional sales employees and portfolio managers since the same period in the prior year.
- Sub-advisory expenses increased by $1.1 million and $3.2 million for the three and nine months ended September 30, 2014 due to the acquisition of AHCM. AHCM was acquired midway through the third quarter of 2013. Therefore, the sub-advisory expenses were incurred for only half of the third quarter in 2013.
- Trailer fees increased by $0.8 million and $2.1 million for the three and nine months ended September 30, 2014 due to an increase in net subscriptions of open end funds in 2014 compared to the same periods in the prior year.

- Amortization expense on finite life intangible assets for the three and nine months ended September 30, 2014 totaled $0.3 million and $0.9 million. Finite life intangible assets were acquired through the acquisition of AHCM in the third quarter of 2013, therefore no amortization of intangible assets was recorded in the first nine months of 2013.
- Year to date amortization of deferred sales commissions increased by $0.2 million from the prior year due to additional low load fund subscriptions in 2014.
- Share based compensation expenses decreased by $0.3 million for the three months and $0.5 million for the nine months ended September 30, 2014 from the same period in the prior year due to the prior year expense being inclusive of a one time share based compensation issued in a prior year related to corporate acquisitions. In addition, there was a large stock option and deferred share unit forfeiture.
- Net losses on investments increased by $0.2 million and $1.0 million for the three and nine month period due to the change in Argent Energy Trust's share price.
- Finance expense remained relatively consistent with the prior year for the three and nine month periods.
- For the three and nine month periods ended September 30, 2014, the Company expensed $0.2 million (September 30, 2013 - $0.1 million) and $0.5 million (September 30, 2013 - $0.6 million), respectively, 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.

EBITDA

(in thousands of Canadian dollars, except per share amounts)					
		Quarter ended		**Year to date**	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Net Income (loss) for the period	**$ 351**	$ 1,294	$ 519	**$ 1,638**	$ 1,429
Add (deduct):					
Finance expense	**1,077**	834	1,041	**3,175**	3,132
Current income tax expense	**377**	612	355	**1,002**	442
Future income tax expense	**248**	(52)	215	**443**	313
Amortization of intangible assets - finite	**298**	299	-	**897**	-
Amortization of deferred sales commissions	**326**	307	277	**892**	702
Depreciation of property and equipment	**119**	109	70	**316**	264
EBITDA	**$ 2,796**	$ 3,403	$ 2,477	**$ 8,363**	$ 6,282
EBITDA Per diluted share	**$ 0.031**	$ 0.037	$ 0.030	**$ 0.092**	$ 0.084
EBITDA margin (as a % of revenue)	**23%**	28%	27%	**23%**	26%
Adjusted EBITDA	**$ 3,087**	$ 3,865	$ 2,778	**$ 9,759**	$ 7,159
Adjusted EBITDA Per diluted share	**$ 0.034**	$ 0.042	$ 0.034	**$ 0.107**	$ 0.084
Adjusted EBITDA margin (as a % of revenue)	**25%**	32%	30%	**27%**	30%

For the three months ended September 30, 2014:

EBITDA for the quarter ended September 30, 2014 was $2.8 million ($0.031 per share) compared with EBITDA of $3.4 million ($0.037 per share) for the prior quarter and $2.5 million ($.030 per share) for the quarter ended September 30, 2013. The 18% decrease from the prior quarter is primarily due to the increase in general and administrative expense. The increase of 13% in EBITDA from the same quarter in the prior year is mainly attributable to the increase in revenue of $3.2 million offset by the increase in general and administrative expense, sub-advisory expense and trailer fees.

EBITDA as a percentage of total revenues (EBITDA margin) for the third quarter of 2014 was 23%, compared to 28% from the prior quarter and 27% from the same quarter last year. The decrease in EBITDA margin year-over-year is the result of the increases in expenses.

For the nine months ended September 30, 2014:

EBITDA for the nine months ended September 30, 2014 was $8.4 million ($0.092 per share) compared with EBITDA of $6.3 million ($0.084 per share) for the nine months ended September 30, 2013. The 33% increase is primarily due to the increase in revenue of $11.5 million, offset by the increase in general and administrative expense of $3.6 million, sub-advisory expense of $3.2 million and trailer fees of $2.1 million.

The increase in adjusted EBITDA for the nine months ended September 30, 2014 from the prior year was $2.6 million. The increase in adjusted EBITDA compared to EBITDA was $0.5 million higher due to the change in stock based compensation from the same period in prior year. This change was mostly due to a large stock option and deferred share unit forfeiture in the period.

EBITDA as a percentage of total revenues (EBITDA margin) for the nine month period as of September 30, 2014 was 23%, compared to 26% from the same period in the prior year. The decrease in EBITDA margin year-over-year is the result of the increase in general and administrative expense and trailer fees in the first half of 2014 which affects the year to date percentage.

For the three and nine month periods ended September 30, 2014, Aston Hill reported net income before taxes of $1.0 million and $3.1 million compared to $1.1 million and $2.2 million in the same respective periods in the prior year. The decrease in the three month period is due to total expenses increasing by $3.3 million while revenue increased by $3.2 million in the period. The $0.9 million increase in the nine month period was attributable to the increase in revenue from the acquisition of AHCM, mainly offset by an increase in general and administrative expenses, an increase in sub-advisory expense, amortization of intangible assets, an increase in trailer fees and net losses on investments.

For the three and nine months ended September 30, 2014, Aston Hill reported net income after tax to controlling interest of $0.1 million ($0.001 earnings per share) and net income after tax to controlling interest of $0.9 million ($0.010 earnings per share), respectively, compared to net income after tax to controlling interest of $0.4 million ($0.005 earnings per share) and net income after tax to controlling interest of $1.3 million ($0.018 earnings per share) in the same periods in the prior year.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	September 30, 2014	December 31, 2013
Working capital	**11,352**	6,973
Total assets	**97,575**	100,167
Long term debt (convertible debentures)	**37,054**	36,428

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

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

At September 30, 2014, the Company and its subsidiaries were in compliance with all externally imposed capital requirements.

Year to date additions to property and equipment amounted to $0.2 million (September 30, 2013 - $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, 2013 in note 5.

For the nine month period ended September 30, 2014, the Company paid $4.1 million of dividends compared to $2.9 million in the same period in the prior year.

Financing costs paid on convertible debentures remained relatively consistent year over year for the first nine months year to date at $2.5 million and $2.6 million, respectively, as the balance of convertible debentures did not change significantly.

Aston Hill paid deferred sales commissions of $1.8 million in the nine months ended September 30, 2014 compared to $1.5 million in the same period in the prior year. This is a result of incremental sales on the Aston Hill open end funds under the low-load, deferred sales charge option. This option was created in 2011 as a sales incentive on specified series of units or shares in specified funds.

Aston Hill has mitigated liquidity risk by renewing the $6.0 million revolving line of credit as of July 29, 2013. As at September 30, 2014, the Company has $6.0 million of the revolving line of credit available.

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

Commitments

(in thousands of Canadian dollars)								
As at September 30, 2014								
		Total	2014	2015	2016	2017	2018	Thereafter
Financial liabilities:								
Trade and other payables		$ 4,774	$ 4,774	$ -	$ -	$ -	$ -	$ -
Convertible debentures	-principal	40,202	-	-	40,202	-	-	-
	-interest	4,824	-	2,412	2,412	-	-	-
Operating leases		4,641	459	844	798	566	567	1,407
		$ 54,441	**$ 5,233**	**$ 3,256**	**$ 43,412**	**$ 566**	**$ 567**	**$ 1,407**

Summary Balance Sheet Data

Revision of prior period financial statements have been reflected in the December 31, 2013 balances as disclosed in Note 3 of the Condensed Interim Consolidated Financial Statements

(in thousands of Canadian dollars)		
	September 30, 2014	December 31, 2013
Current assets	**$ 19,243**	$ 15,777
Non current assets	**78,332**	84,390
Total Assets	**$ 97,575**	$ 100,167
Current liabilities	**$ 7,891**	$ 8,804
Non current liabilities	**52,716**	51,592
Total Liabilities	**$ 60,607**	$ 60,396
Non-controlling interest	**123**	463
Shareholders' equity	**36,845**	39,308
Total Liabilities & Shareholders' Equity	**$ 97,575**	$ 100,167

The balance sheet for Aston Hill at September 30, 2014 reflects total assets of $97.6 million, a decrease of $2.6 million from $100.2 million at December 31, 2013. The decrease from the prior year can be mainly attributed to investments at fair value through profit and loss as the unrealized loss in the period was $0.8 million. In addition, accounts receivable decreased by $1.4 million to $5.5 million. $0.8 million of the change was due to transitional delays on the collection of AHCM revenue at December 31, 2013. The remaining $0.6 million decrease was primarily due to a decrease in the administration fee charged to Argent, as well as, the receipt of payment from Argent for the second tranche of RTUs on August 10, 2014. The administration fee is based on Argent’s enterprise value. As the trading price and its resulting effect on enterprise value has decreased for Argent, the administration fee has also decreased.

Total liabilities increased by $0.2 million to $60.6 million at September 30, 2014 from $60.4 million at December 31, 2013. The primary contributor to this increase was due to a change in estimate for a deferred tax asset on a capital loss carry forward, for which the Company considers that the realization of the tax benefit through the use of available capital gains against the capital losses is no longer probable. This resulted in an increase in deferred tax liability of $0.4 million. In addition, the convertible debentures liability has increased by $0.6 million in the nine month period ended September 30, 2014. The movement in the convertible debentures is reconciled in note 16 of the unaudited Interim Consolidated Financial Statements. This increase was offset by the repayment of the revolving credit facility in the first quarter of 2014 of $0.3 million. In addition, the employee compensation provision was lower by $0.5 million as at September 30, 2014 compared to December 31, 2013 as the current accrual reflects the nine month year to date balance while the prior year balance includes twelve months.

The revolving line of credit was renewed for a two year term on July 29, 2013, and the credit limit was extended from $4.0 million to $6.0 million. Currently the Company has $nil drawn on the revolving line of credit.

Aston Hill's annualized debt-to-EBITDA ratio excluding convertible debentures as at September 30, 2014 was 0.0 to 1.0. Aston Hill is within its financial covenants with respect to its credit facility, which requires that the debt-to-EBITDA ratio remain below 1.2 to 1.0, and AUM not fall below $4.6 billion.

Shareholders' equity decreased by $2.5 million during the nine month period ended September 30, 2014 mainly as a result of dividends paid of $4.1 million. This was offset by net income for the period of $0.9 million and $0.7 million in other equity transactions.

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 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 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in ICFR in the most recent quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Management of the Company has evaluated the design and operations of its DC&P and ICFR (as defined under National Instrument 52-109) as of September 30, 2014, under the supervision of the Chief Executive Officer and the Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the DC&P and ICFR were properly designed and operating effectively as of September 30, 2014.

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 2013 annual consolidated financial statements.

Aston Hill is exposed to a number of risks through the pursuit of its 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 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 operations 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 the Company's operations. Actively managing these risks improves Aston Hill's ability to effectively execute its business strategy. These risks have not changed substantially since December 31, 2013. A more in-depth discussion of material risk factors affecting the Company can be found in the annual financial statements for the year ended December 31, 2013.

Related Party Transactions

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

a) The Company's wholly owned subsidiaries (AHAM, AHFCP, AHCM and AHS) 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 the prospectus of the funds. The purpose of these transactions are to centralize all expense payments. Management fees, sub-advisory fees and other amounts due from funds under management and included in accounts receivable at September 30, 2014 were $4.1 million (December 31, 2013 - $3.6 million). Other amounts due to funds under management recorded in accounts payable as at September 30, 2014, were $nil (December 31, 2013 - $0.2 million). For the three and nine month periods ended September 30, 2014, $9.2 million (September 30, 2013 - $5.5 million) and $25.2 million (September 30, 2013 - $13.2 million), respectively, were recorded as revenue in respect of these management and other fees. In addition, for the three and nine month periods ended September 30, 2014, the Company absorbed $0.2 million (September 30, 2013 - $0.1 million) and $0.5 million (September 30, 2013 - $0.6 million), respectively, of expenses incurred by funds under management.

b) As of May 21, 2014, Argent is no longer considered to be a related party as the CEO of Aston Hill is no longer a Director and Executive Chairman of Argent, however all income statement transactions incurred up to this date are considered to be related party transactions. Aston Hill has an administration services contract with Argent where the Company provides office space at the Calgary premises, secretarial and clerical support, market data services, normal course investment research, records and reporting, assistance with filings with applicable Canadian securities regulators, trade execution and settlement for client accounts, marketing sales support, custodial services for investment funds and other administrative services. The Administrative Services Contract (the "Contract") with Argent is still in effect until August 12, 2015. The transactions discussed below are for the period from January 1, 2014 to May 21, 2014. Therefore, for the three months ended September 30, 2014 there were $nil in related party transactions (September 30, 2013 - $0.5 million). The nine months ended September 30, 2014 only included related party transactions incurred between January 1, 2014 to May 21, 2014 of $0.7 million (September 30, 2013 - $1.5 million). The Company recorded $nil (September 30, 2013 - $0.6 million) as related party expenses for the three month period ended September 30, 2014 and $0.3 million for the period from January 1, 2014 to May 21, 2014 (September 30, 2013 - $1.2 million) in salary & overhead recoveries for shared overhead costs that have been reimbursed by Argent.

c) As of May 21, 2014, Argent is no longer considered to be a related party, however all income statement transactions incurred up to this date are considered to be related party transactions. The transactions discussed below are for the period from January 1, 2014 to May 21, 2014. On August 10, 2012, 210,000 restricted trust units receivable were granted with a par value of $10.00 per unit to the Company for services rendered under the Contract (note 20(b)). 70,000 restricted trust units vest per year. On August 10, 2013, the Company was paid $0.8 million to settle the first vested tranche of restricted trust units receivable. For the three and nine month periods ended September 30, 2014, a gain of $nil was recorded (September 30, 2013 – gain of $0.2 million) and a gain of $24,000 (September 30, 2013 – gain of $0.7 million), was recorded as year to date revenue.

d) RJT owns 49% of the outstanding shares of AHFCP, a wholly owned subsidiary of Aston Hill. As at September 30, 2014, $nil (December 31, 2013 - $11,000) of trade and other receivables and $0.2 million (December 31, 2013 - $0.1 million) of trade and other payables related to transactions with RJT.

e) The Company provides seed capital to new funds and therefore has an initial investment in the funds. As at September 30, 2014, $1.2 million (December 31, 2013 - $1.0 million) of the financial assets at fair value through profit or loss is related to holdings in the Company's funds under management. For the three and nine month periods ended September 30, 2014, $0.1 million of net losses (September 30, 2013 - $10,000 of net gains) and $0.2 million of net gains (September 30, 2013 - $19,000 of net gains), respectively, on investments recorded during the year was related to these funds under management.

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

Subsequent Event

On October 15, 2014, the Company renewed its notice of intention to make a normal course issuer bid for a portion of its common shares and 6% extendible convertible unsecured subordinated debentures. Aston Hill intends to acquire up to 5,388,789 common shares and $500,000 principal amount of convertible debentures in the 12-month period commencing October 20, 2014 and ending on October 19, 2015, which represents 10% of the public float of outstanding common shares and 1% of the public float of outstanding convertible debentures as of October 10, 2014.

Significant Accounting Policies & Estimates

The unaudited Interim Consolidated Financial Statements for the year ended September 30, 2014 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, 2013, except as described in changes in accounting policies below. For a discussion of all significant accounting policies, please refer to note 3 of the December 31, 2013 Consolidated Financial Statements. Also included in the notes to the unaudited Interim Consolidated Financial Statements is note 4 which includes a discussion on the determination of the fair values of the Company's financial assets and liabilities.

The Company carries significant intangible assets on its balance sheet. Aston Hill uses a valuation approach based on a multiple of assets under management. Aston Hill uses valuation models that use estimates of sales and redemptions of investment products as the primary determinants of fair value. 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.

In accordance with IAS 8, the Company accrued a fund compliance fee based on reasonable estimates in the fourth quarter of 2013. During the third quarter of 2014, the compliance fee was partially recovered through insurance which resulted in a change of estimate. The recovery was not recorded until the third quarter of 2014 as the Company did not have virtual certainty of the insurance recovery until September 2014. Note 21 of the unaudited Interim Consolidated Financial Statements includes a discussion on the change in estimate for a compliance expense that was accrued at December 31, 2013 and recovered through insurance in Q3 2014.

Included in the deferred tax provision for the quarter is a change in estimate for a deferred tax asset on a capital loss carry forward, for which the Company considers that the realization of the tax benefit through the use of available capital gains against the capital losses is no longer probable. Please refer to note 21 of the unaudited Interim Consolidated Financial Statements for further discussion.

The Company assesses segmented operations in accordance with IFRS 8 at each reporting period. Although there are different revenue streams, management review and decisions are made on a consolidated basis. As such, management has concluded that multiple operating segments do not apply at this time.

Changes in accounting policies

On January 1, 2014, the Company adopted the limited scope amendments in relation to IAS 36 which entails additional disclosure of the fair value hierarchy and removed the disclosure of recoverable amounts of a unit or group of units for which there has been no impairment or reversal of impairment. The Company has assessed that there is no significant impact to the results of the financial statements other than disclosures upon adoption of the limited scope amendments in relation to IAS 36.

IFRS 2, Share Based Payments, amended its definitions of 'vesting conditions' and 'market conditions' and added the definitions of 'performance condition' and 'service condition'. A performance condition is a vesting condition that requires a counterparty to complete a specified period of service and meet a specified performance target. A service condition is a vesting condition that requires the counterparty to complete a specified period of service. This amendment became effective July 1, 2014 and was applied prospectively. The Company has assessed that there is no significant impact on the interim consolidated financial statements upon adoption of this amendment.

Financial Instruments

As of September 30, 2014, Aston Hill's financial instruments include cash, investments at fair value through profit or loss, accounts receivable, restricted trust units, trade and other payables, provisions, investments at fair value through other comprehensive income, share based compensation and convertible debentures.

The fair value of cash and cash equivalents, trade and other receivables, notes receivable, provisions and trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. As at September 30, 2014, the fair value of these balances approximated their carrying value due to their short term nature.

Restricted trust units receivable are fair valued at each reporting period by using the fair value models calculated by Aston Hill. As at September 30, 2014, the restricted trust units receivable were fair valued to be $0.1 million (December 31, 2013 - $0.4 million). The valuation model to fair value restricted trust units receivable uses the quoted price from the TSX for the Argent trust units at each period end. It is considered to be a level 2 fair value measurement as it is actively traded on the TSX with quoted prices but is not an identical asset.

In addition, the Company holds investments at fair value through profit or loss which consist of an investment in Argent Energy Trust, which is classified as a level 1 investment as the quoted market price is used to fair value an identical asset at each period end. The remaining marketable securities consist of investments in funds which have been classified as level 2 investments. As at September 30, 2014, the Company's investments at fair value through profit or loss totaled $1.6 million (December 31, 2013 - $2.4 million). During the three and nine month period ended September 30, 2014, the Company recorded a net unrealized loss on its marketable securities of $0.1 million and $0.5 million respectively, compared to the $0.1 million and $0.5 million gain in the same periods in the prior year.

The fair value of the Company's investment in Journey Energy Inc. is a financial asset recorded at fair value through other comprehensive income. Aston Hill used estimation techniques to determine fair value which included: recent arm's length market transactions between knowledgeable, willing parties, if available; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; multiple earnings analysis; and reserve based valuations. The fair value was affected significantly by a volatile oil and natural gas pricing environment; therefore, the fair value of the Journey investment may have fluctuated materially from quarter to quarter. The Company sold its equity investment in Journey on June 24, 2014. The Company previously owned 1,415,595 common shares or approximately 2.7% of the total outstanding common shares of Journey. At the time of the sale, the fair market value of the investment was $8.7 million. As such, the Company recognized a gain in fair value through other comprehensive income of $0.9 million from the prior period valuation. Upon the sale of the equity investment, the total accumulated other comprehensive income and the change in fair value during the period was transferred into retained earnings, consistent with IFRS 9.

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

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

Outstanding Share Data

Capital	Authorized	Outstanding as at November 4, 2014	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited	89,234,129	Not applicable
Stock options	Not applicable	6,687,506	6,687,506
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$ 40,202,000	15,765,490

[1] The common shares are presented net of 602,305 common shares held in treasury. The Company received shareholder approval to reserve for issuance up to 10% of the issued and outstanding Common Shares at the date of the creation for its incentive stock option plan.

Additional Information

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

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