AstonHill FINANCIAL

Management Discussion and Analysis
For the year ended December 31, 2014

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated March 5, 2015 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 audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2014, and 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 or any other measure of performance under IFRS.

Assets Under Management

Any reference to Assets Under Management ("AUM") includes both managed and sub-advised closed end and open end mutual funds, hedge funds, separately managed accounts, brokerage accounts, structured products, pooled assets, and oil and gas properties under administration. Separately managed accounts, brokerage accounts, structured products, and oil and gas properties under administration are grouped together as other assts. The Company believes that AUM is a valuable performance indicator for users of the MD&A as it presents assets under management at a point in time. The movement in AUM throughout the reporting period generally drives the revenue of the Company.

Average Assets Under Management

Any reference to Average AUM includes both managed and sub-advised closed end and open end mutual funds, hedge funds, separately managed accounts, brokerage accounts, structured products, pooled assets, and oil and gas properties under administration. Average AUM refers to the three month average of the AUM balance. It can be used to better facilitate the understanding of the revenue trend in the period.

EBITDA

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

Adjusted EBITDA

In addition to EBITDA as described above, Aston Hill further adjusts EBITDA ("adjusted EBITDA") by excluding share based compensation and net losses (profits) on investments in order to provide users with the earnings before non-cash transactions which management considers to be a meaningful measure of its operations.

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. It is presented as EBITDA as a percentage of total revenue for the period.

Pre-Tax Operating Earnings and Pre-Tax Operating Earnings Per Share

Aston Hill uses pre-tax operating earnings to assess its underlying profitability before income taxes, excluding service fee revenue, non-cash management fees, performance fees and investment gains, investment losses, amortization of deferred sales commissions, depreciation of property and equipment, amortization of intangible assets with finite life and share based compensation. The total pre-tax operating earnings per period is divided by the total weighted average basic shares outstanding for the period.

Material Contracts

This MD&A refers from time to time to material contracts which can be found under Aston Hill Financial Inc. at SEDAR.com.

Overview

Aston Hill is a publicly traded corporation listed on the Toronto Stock Exchange (the "TSX") under the symbol "AHF" and is incorporated under the Business Corporations Act of Alberta. The primary business focus of the Company is the management of investment funds. In addition, Aston Hill's services also include high net worth investment management, institutional investment management, portfolio advisory services, 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, except for the other fee based investment products.

During the year ended December 31, 2014, financial results were impacted by the following:

- During 2014, the Company continued to make strides in open end fund sales with gross sales of $510.0 million and redemptions of $148.0 million. Managed open end funds AUM increased by 62% from the prior year end and surpassed the $1.0 billion dollar mark during the third quarter of 2014. In the fourth quarter, market conditions were affected by concerns over oil prices, global economic growth concerns and market volatility. In spite of this, investment performance for open end funds improved by $43.0 million from the prior year end.

- Managed closed end funds AUM decreased by $308.0 million from the prior year end due to redemptions of $394.0 million in the year and a negative investment performance of $157.0 million. This was netted against the launch of two closed end funds in 2014 which accounted for $62.0 million in subscriptions during the year. In addition, through warrants issued to unitholders on record at December 23, 2013, two existing closed end funds had total subscriptions of $181.0 million in the year.
- AUM for sub-advised funds decreased by $962.0 million from the prior year end mostly due to net redemptions of $870.0 million in IA Clarington funds.
- AUM for other assets decreased by $842.0 million in the year mostly due to the negative investment performance of Argent Energy Trust throughout the year and the loss of two institutional investor accounts.
- Aston Hill's continued efforts in the management of open and closed end funds resulted in an increase in total revenue of $47.3 million year over year despite the decrease in AUM for sub-advised funds and other assets. Revenue from management fees as a percentage of total revenue was 65% for the year ended December 31, 2014, compared to 47% in the prior year.
- Sub-advisory revenue as a percentage of total revenue was 22% compared to 32% in the prior year.
- Other revenue as a percentage of total revenue was 8% compared to 19% in the prior year.
- Salaries and wages increased by $2.7 million compared to the prior year due to a increase in sales commissions and an overall increase in salaries due to an increase in sales personnel as well as a non-recurring employee contractual obligation.
- The Company repurchased 1.3 million common shares through its normal-course issuer bid for a total transaction cost of $1.5 million including commission expenses.
- The Company sold its investment in Journey Energy Inc. ("Journey") for proceeds of $8.7 million which was recorded through other comprehensive income.

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 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"), 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 as of December 31, 2014.

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., 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 and current executives of AHCM which represent the non-controlling interest.

Aston Hill Securities Inc. ("AHS") (formerly Citadel Securities Inc.) is an 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 average AUM, however, total revenue for management fees may deviate as a result of volatile daily average NAV within the reporting period. In addition, open end funds and closed end funds command different annual management fee rates for each fund. Open end funds generally have annual management fee rates that range from 1% (100 bps) to 2% (200 bps), while closed end funds 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 sub-advisory funds at set percentage rates ranging from 0.15% (15 bps) to 0.5% (50 bps) and are recognized on an accrual basis. The oil and gas administration fee is calculated on a tiered set fee, based on the enterprise value of Argent which ranges from an annual fee of $0.7 million to an annual fee of $4.0 million. Brokerage revenue encompasses brokerage fees, investment management fees, and sales commissions, which are recognized as the related services are performed. The Company may also earn other income or incur losses from its cash balances and its investments, if any, which include newly seeded portfolios.

Aston Hill's expenses include salaries and benefits (which contain an incentive component that may fluctuate based on the overall performance of the Company), product development, general and administrative expenses, 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 subscription of certain open end funds and therefore increases with an increase in open end fund sales.

Net additions or net withdrawals of client capital, acquisitions, as well as investment performance are the main factors that impact AUM. Aston Hill's goal is to attract and retain investors through its expertise in liquid alternative strategies, income and structured products, 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

2014 markets ended with higher volatility as fragile global growth was challenged by the Ukraine conflict, Russian sanctions and the emergence of the Islamic State ("ISIS"). Counteracting weakness elsewhere, U.S. economic growth strengthened in 2014. With strong labour markets, economic momentum and U.S. GDP growth that is projected to reach 3.0% in 2015, the Fed is expected to loosen the Zero Interest Rate Policy later in the year. Conversely, Central Banks in Japan, the Eurozone and China are all expected to accelerate their various stimulation efforts in response to economic weakness. The drop in crude oil prices in the second half of 2014 has also added a potential tailwind to the global recovery. The Company is cautiously optimistic regarding global growth for 2015, but expects continued volatility as a tentative recovery struggles to gain traction.

Business Outlook

The growth in open end funds in 2014 is expected to continue into 2015 despite struggling commodity market conditions. In response to the economic uncertainty in financial markets, Aston Hill is moving towards providing liquid alternative mutual funds in 2015 in order to meet the growing demand for low risk investments. In addition, Aston Hill's management team continues to strive to reduce expenditures and bring relevant products to investors.

Operating Highlights

Assets under Management, Advisory and Other

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

(in millions of Canadian dollars)		**December 31, 2014**		September 30, 2014		December 31, 2013*
Assets Under Management , Advisory, Brokerage and Other						
Managed funds						
Open end funds	**$**	**1,061**	$	1,054	$	656
Closed end funds		**1,453**		1,619		1,761
Hedge funds		**28**		23		11
Total Aston Hill managed funds	**$**	**2,542**	$	2,696	$	2,428
Sub-advised funds						
Open end funds		**2,847**		3,311		3,706
Closed end funds		**127**		200		230
Total sub-advised funds	**$**	**2,974**	$	3,511	$	3,936
Other assets		**407**		506		1,249
Brokerage		**331**		340		161
Total Assets under Management, Advisory, Brokerage and Other	**$**	**6,254**	$	7,053	$	7,774

**Funds managed by the Company transitioned to IFRS from Canadian GAAP for their respective annual years commencing in the current year. This resulted in an immaterial change in AUM. Prior year AUM numbers are presented under Canadian GAAP.*

Average Assets under Management, Advisory and Other

Average AUM is calculated over three months of the quarter. Average AUM includes closed end and open end mutual funds, hedge funds, separately managed accounts, structured products, pooled assets, and oil and gas properties under administration is summarized below:

(in millions of Canadian dollars)		**December 31, 2014**		September 30, 2014		December 31, 2013*
Average Assets Under Management , Advisory, Brokerage and Other						
Managed funds						
Open end funds	**$**	**1,070**	$	1,033	$	658
Closed end funds		**1,504**		1,756		1,746
Hedge Funds		**26**		22		10
Total Aston Hill managed funds	**$**	**2,600**	$	2,811	$	2,414
Sub-advised funds						
Open end funds	**$**	**3,023**	$	3,399	$	3,717
Closed end funds		**144**		202		234
Total sub-advised funds	**$**	**3,167**	$	3,601	$	3,951
Other assets		**438**		533		1,379
Brokerage		**335**		275		132
Total Average Assets under Management, Advisory, Brokerage and Other	**$**	**6,540**	$	7,220	$	7,876

**Funds managed by the Company transitioned to IFRS from Canadian GAAP for their respective annual years commencing in the current year. This resulted in an immaterial change in AUM. Prior year AUM numbers are presented under Canadian GAAP.*

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For the quarter ended December 31, 2014 compared to the quarter ended September 30, 2014:

- AUM for Aston Hill managed funds decreased by $154.0 million from prior quarter. Open end funds had gross sales of $94.0 million in the fourth quarter and a new closed end fund was launched in the fourth quarter which saw total subscriptions in closed end funds of $21.0 million. This positive growth was netted against redemptions in both open and closed end funds in the fourth quarter. This can be attributed to the market uncertainty during the fourth quarter, which challenged investor confidence. In addition, negative market performance in closed end funds also contributed to the decrease.
- Sub-advised funds decreased from prior quarter by $537.0 million mainly as a result of redemptions and negative investment performance in IA Clarington. In addition, a closed end fund sub-advisory relationship ended in the fourth quarter which resulted in a decrease in AUM of $24.0 million.
- The net decrease in the AUM of other assets of $99.0 million can mainly be attributed to the reduction in Argent Energy Trust valuation.
- Brokerage AUM remained relatively consistent quarter over quarter with a slight decrease of $9.0 million.

For the year ended December 31, 2014 compared to the year ended December 31, 2013:

- Total gross sales for managed open end funds for the year totaled $510.0 million, which netted with total redemptions of $148.0 million for net sales of $362.0 million in the year. In addition, positive investment performance of $43.0 million resulted in a total increase in managed open end fund AUM of $405.0 million.
- Aston Hill launched two closed end funds during the year which resulted in subscriptions of $62.0 million. In addition, through warrants issued to unitholders on record at December 23, 2013, two existing closed end funds had total subscriptions of $181.0 million in the year. This was netted against redemptions of $394.0 million and a negative investment performance of $157.0 million for a total decrease in AUM of $308.0 million.
- Hedge funds AUM increased by $17.0 million in the year due to $15.0 million in subscriptions which netted against redemptions of $1.0 million and $3.0 million in positive investment performance.
- Sub-advised funds AUM decreased by $962.0 million from the prior year end, mainly due to net redemptions of $870.0 million dollars in IA Clarington funds. In addition, a sub-advisory relationship ended in the fourth quarter which resulted in a decrease of $43.0 million in sub-advised funds AUM in the year. The remaining decrease relates to redemptions and negative market performance in the closed end sub-advised funds.
- Other assets decreased by $842.0 million primarily due to the negative investment performance of Argent Energy Trust of $428.0 million and the loss of two institutional investor accounts which totaled $408.0 million in AUM.
- This was partially offset by the increase in brokerage AUM of $170.0 million from the prior year due to new brokerage clients.

AUM Reconciliation

The Company has provided an AUM reconciliation of total Aston Hill managed funds. Complete information for sub-advised funds and brokerage were not readily available for reconciliation purposes:

Aston Hill Managed Funds AUM Reconciliation **(in millions of Canadian dollars)**	Open end funds December 31, 2014	Closed end funds December 31, 2014	Hedge funds December 31, 2014
Assets Under Management - Beginning of Period*	$ 656	$ 1,761	$ 11
Subscriptions	510	243	15
Redemptions	(148)	(394)	(1)
Investment performance	43	(157)	3
Assets Under Management - End of Period	$ 1,061	$ 1,453	$ 28

**Funds managed by the Company transitioned to IFRS from Canadian GAAP for their respective annual years commencing in the current year. This resulted in an immaterial change in AUM. Prior year AUM numbers are presented under Canadian GAAP.*

Other Assets **(in millions of Canadian dollars)**	Other Assets December 31, 2014
Assets Under Management - Beginning of Period	$ 1,249
Subscriptions	25
Redemptions	(428)
Investment performance	(439)
Assets Under Management - End of Period	$ 407

Breakdown of Managed and Sub-Advised Funds, Assets Under Administration and Flow Through Limited Partnerships

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
Voya Global Income Solutions 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
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
Lonsdale Balanced Tactical Fund
Newport Yield Fund

Assets Under Administration:

Argent Energy Trust

Flow Through Limited Partnerships:

Aston Hill Energy 2014 FT Limited Partnership

Financial Highlights

(in thousands, except assets under management and per share amounts)		**As at December 31, 2014**		As at September 30, 2014		As at December 31, 2013	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$**	**6.25**	$	7.05	$	7.77	-11%	-20%
Total assets		**97,884**		97,575		100,167	0%	-2%
Shares outstanding		**88,988**		89,297		89,954	0%	-1%

For the three months ended		**December 31, 2014**		September 30, 2014		December 31, 2013	% change quarter-over-quarter	% change year-over-year
Total revenues	**$**	**11,710**	$	12,400	$	11,424	-6%	3%
Total expenses excluding finance expense		**9,267**		10,347		9,997	-10%	-7%
Total finance expense		**1,098**		1,077		1,152	2%	-5%
Income before income taxes	**$**	**1,345**	$	976	$	275	38%	389%
Income tax expense (recovery)*	**$**	**433**	$	625	$	486	-31%	-11%
Net income (loss)	**$**	**912**	$	351	$	(211)	160%	532%
Net income to non-controlling interest		**338**		266		270	27%	25%
Net income (loss) to controlling interest*	**$**	**574**	$	85	$	(481)	575%	219%
Per share - Basic*	**$**	**0.006**	$	0.001	$	(0.006)	500%	200%
Per share - Diluted*	**$**	**0.006**	$	0.001	$	(0.006)	500%	200%
Cash dividends declared per share	**$**	**0.015**	$	0.015	$	0.015	0%	0%
EBITDA	**$**	**3,202**	$	2,796	$	2,218	15%	44%
Weighted average shares outstanding		**89,248**		89,327		82,363	0%	8%

**Revision of certain balances in the prior period comparative financial statements have been reflected in the year ended December 31, 2013 as disclosed in Note 4 of the Consolidated Financial Statements*

Financial Highlights

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

		As at Dec 31, 2014		As at Dec 31, 2013	% change year-over-year
Assets under management (in billions)	**$**	**6.25**	$	7.77	-20%
Total assets		**97,884**		100,167	-2%
Shares outstanding		**88,988**		89,954	-1%

For the year ended		December 31, 2014		December 31, 2013	% change year-over-year
Total revenues	**$**	**47,329**	$	35,562	33%
Total expenses excluding finance expense		**38,628**		28,820	34%
Total finance expense		**4,273**		4,285	0%
Income before income taxes	**$**	**4,428**	$	2,457	80%
Income tax expense*		**1,878**		1,241	51%
Net income*	**$**	**2,550**	$	1,216	110%
Net income to non-controlling interest		**1,070**		351	205%
Net income to controlling interest*	**$**	**1,480**	$	865	71%
Per share - Basic*	**$**	**0.017**	$	0.011	55%
Per share - Diluted*	**$**	**0.016**	$	0.011	45%
Cash dividends recorded per share	**$**	**0.060**	$	0.050	20%
EBITDA	**$**	**11,565**	$	8,499	36%
Weighted average shares outstanding		**89,524**		79,281	13%

**Revision of certain balances in the prior period comparative financial statements have been reflected in the year ended December 31, 2013 as disclosed in Note 4 of the Consolidated Financial Statements*

Results of Operations

Overall Performance

Aston Hill saw an increase of $11.8 million in revenue for the year ended December 31, 2014, compared to the prior year, despite a decrease in overall AUM. This was mostly the result of managing the closed end funds acquired through the AHCM acquisition in the third quarter of the prior year for a full twelve months. In addition, the Company saw a large increase in its open end fund AUM which generated a higher revenue margin.

The increase in revenues, noted above, were netted against an increase in total expenses (excluding finance expense and tax expense) of $9.8 million for 2014. This was mostly the result of an increase of $3.1 million and $2.8 million in sub-advisory expense and trailer fees, respectively. The sub-advisory fees were incurred as a result of the AHCM closed end funds and the increase in trailer fees were a direct correlation with open end fund sales. In addition, salaries and wages increased in the current year by $2.7 million mostly due to the addition of personnel to the sales team and partly due to a non-recurring employee contractual obligation. The remaining changes were in relation to the amortization of intangible assets – finite life and the net losses on investments during the year.

The net result of the increase in revenue and expenses was a $0.6 million increase in net income to controlling interest in the current year.

Pre-Tax Operating Earnings

(in thousands of Canadian dollars, except per share amounts)					
	Quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Income before income taxes	**$ 1,345**	$ 976	$ 275	**$ 4,428**	$ 2,457
Add:					
Net losses (gains) on investments	**24**	118	172	**537**	(317)
Amortization of deferred sales commissions	**355**	326	178	**1,247**	880
Amortization of intangibles - finite life	**299**	298	480	**1,196**	480
Depreciation of property and equipment	**105**	119	133	**421**	397
Share based payments expense	**222**	173	128	**1,105**	1,495
Pre-tax operating earnings	**$ 2,350**	$ 2,010	$ 1,366	**$ 8,934**	$ 5,392
Per share	**0.026**	0.023	$ 0.017	**$ 0.100**	$ 0.068

Pre-tax operating earnings, as set out in the table above, was $2.4 million for the quarter ended December 31, 2014, which remained relatively consistent with the prior quarter with a slight increase of $0.4 million or 17% and an increase of $1.0 million or 72% from the same period in the prior year. The change in pre-tax operating earnings can mainly be attributed to the decrease in salaries and wages expense of $1.5 million. The increase in pre-tax operating earnings in the fourth quarter was partially the result of a non-recurring employee contractual obligation that impacted the third quarter results. In addition, a decrease in gross sales from $120.0 to $94.0 million resulted in a corresponding decrease in commission expense from the prior quarter and the adjustment of the provision in relation to the short term incentive payments to Aston Hill employees to reflect actual twelve month results also contributed to the decrease. General and administrative expenses increased by $0.6 million in the quarter mostly due to the $0.5 million non-recurring insurance recovery recorded in the third quarter. The recovery was in relation to a December 31, 2013 accrual for a fund compliance expense of $0.7 million which included a $0.2 million insurance deductible. Product development costs also decreased by $0.1 million during the quarter.

The decrease in revenue for the quarter of $0.7 million also netted against the decrease in salaries and wages.

Year to date pre-tax operating earnings increased by $3.5 million from the same period in the prior year mainly due to the increase in revenue of $11.8 million and a decrease in product development of $0.1 million netted against the increase in salaries and wages of $2.7 million, an increase in sub-advisory expense of $3.1 million and trailer fees of $2.8 million.

Summary of Quarterly Results

(in thousands of Canadian dollars, except per share amounts)								
Three months ended,	**Dec 31, 2014**	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013	Mar 31, 2013
Revenues	**$ 11,710**	$ 12,400	$ 12,151	$ 11,068	$ 11,424	$ 9,176	$ 7,686	$ 7,276
Expenses								
Salaries and wages	**3,294**	4,800	3,350	3,509	3,742	2,855	2,862	2,782
General and administrative	**2,150**	1,552	2,101	2,209	2,796	2,482	1,343	1,565
Sub-advisory expense	**1,126**	1,257	1,285	1,253	1,229	142	235	200
Product development	**131**	199	143	135	200	117	339	101
Share based compensation	**222**	173	351	359	128	430	483	454
Depreciation of property & equipment	**105**	119	109	88	133	70	117	77
Amortization of intangible assets - finite	**299**	298	299	300	480	-	-	-
Amortization of deferred sales commissions	**355**	326	307	259	178	277	244	181
Trailer fees	**1,533**	1,499	1,360	1,102	894	748	621	454
Commissions	**28**	6	47	53	45	54	39	40
Net losses (profits) on investments	**24**	118	111	284	172	(129)	(55)	(305)
Finance expense	**1,098**	1,077	834	1,264	1,152	1,041	1,052	1,040
Total expenses	**$ 10,365**	$ 11,424	$ 10,297	$ 10,815	$ 11,149	$ 8,087	$ 7,280	$ 6,589
Income before income taxes	**1,345**	976	1,854	253	275	1,089	406	687
Income taxes*	**433**	625	560	260	486	570	5	180
Net income (loss) for the period*	**$ 912**	$ 351	$ 1,294	$ (7)	$ (211)	$ 519	$ 401	$ 507
Net income (loss) to non-controlling interest	**338**	266	267	199	270	85	(4)	-
Net income (loss) to controlling interest*	**$ 574**	$ 85	$ 1,027	$ (206)	$ (481)	$ 434	$ 405	$ 507
Net income (loss) - per share - basic*	**$ 0.006**	$ 0.001	$ 0.011	$ (0.002)	$ (0.006)	$ 0.005	$ 0.006	$ 0.007
Net income (loss) - per share - diluted*	**$ 0.006**	$ 0.001	$ 0.011	$ (0.002)	$ (0.006)	$ 0.005	$ 0.005	$ 0.007

**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 were 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 4 of the 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 revenue, cash flow from operating activities, operating expenses and net income before tax.

Revenue

	For the quarter ended			Year ended	
(in thousands of Canadian dollars)	**December 31, 2014**	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Revenue					
Management fees					
Open end funds	**$ 4,102**	$ 3,948	$ 2,406	**$ 14,642**	$ 7,506
Closed end funds	**3,651**	4,353	3,935	**16,197**	9,093
Hedge Funds	**77**	65	29	**228**	105
Total management fees	**$ 7,830**	$ 8,366	$ 6,370	**$ 31,067**	$ 16,704
Sub-advisory fees					
Open end funds	**$ 2,139**	$ 2,382	$ 2,567	**$ 9,328**	$ 10,150
Closed end funds	**154**	217	252	**835**	1,144
Total sub-advisory fees	**$ 2,293**	$ 2,599	$ 2,819	**$ 10,163**	$ 11,294
Other revenue	**854**	706	1,876	**3,806**	6,651
Brokerage	**733**	729	359	**2,293**	913
Total revenue	**$ 11,710**	$ 12,400	$ 11,424	**$ 47,329**	$ 35,562

	For the quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	2013
Fees as a percentage of total revenue					
Management fees					
Open end funds	**35%**	32%	21%	**31%**	21%
Closed end funds	**31%**	35%	34%	**34%**	26%
Hedge Funds	**1%**	1%	0%	**0%**	0%
Total management fees	**67%**	68%	55%	**65%**	47%
Sub-advisory fees					
Open end funds	**18%**	19%	22%	**20%**	29%
Closed end funds	**1%**	2%	2%	**2%**	3%
Total sub-advisory fees	**19%**	21%	24%	**22%**	32%
Other revenue	**7%**	6%	17%	**8%**	19%
Brokerage	**7%**	5%	4%	**5%**	2%
Percentage of total revenue	**100%**	100%	100%	**100%**	100%

	December 31, 2014	September 30, 2014	December 31, 2013
Fees as a percentage of average AUM			
Management fees			
Open end funds	**1.53%**	1.53%	1.46%
Closed end funds	**0.97%**	0.99%	0.90%
Hedge Funds	**1.18%**	1.19%	1.20%
Sub-advisory fees			
Open end funds	**0.28%**	0.28%	0.28%
Closed end funds	**0.43%**	0.43%	0.43%
Other revenue	**0.29%**	0.29%	0.29%
Brokerage fees**	**0.88%**	1.08%	1.09%
Total revenue as a percentage of total average AUM	**0.71%**	0.67%	0.57%

*Please note that the percentages calculated have been multiplied by four to represent the annualized rate.
**Brokerage fees are not directly driven by average AUM.

Total revenue was $11.7 million for the quarter ended December 31, 2014, a decrease of 6% from the $12.4 million in the prior quarter due to the decrease in period ending AUM. Management fees decreased by $0.5 million or 6% in the quarter due to a decrease of $0.7 million in closed end management fees which was partially offset by an increase of $0.2 million or 4% in open end. The decrease in management fees for closed end funds was due to the redemptions during the quarter. The slight increase in open end funds is consistent with the corresponding increase in AUM.

Sub-advisory fees decreased by $0.3 million from the prior quarter mostly as a result in the decrease in average AUM for IA Clarington.

Other revenue increased by $0.2 million from the prior quarter primarily due to an annual performance fee on the hedge funds.

For the quarter and year ended December 31, 2014, total revenue increased by $0.3 million and $11.8 million respectively from the same periods in the prior year.

Management fees for open and closed end funds for the quarter ended December 31, 2014, increased by $1.5 million from the quarter in the prior year due to the Company's efforts in open end mutual fund sales throughout the year. The increase in average AUM for open end funds resulted in an increase of $1.7 million in management fees. This was netted against a decrease of $0.3 million in management fees generated from closed end funds as redemptions throughout the year decreased the closed end fund average AUM. For the year ended December 31, 2014, management fees increased by $14.4 million from the prior year. $7.1 million of the increase can be attributed to the growth in open end AUM of 62% from the prior year end. In addition, there was a $7.1 million increase in revenue from the closed end funds primarily due to AHCM being included in the full year results, as the acquisition took place in the third quarter of prior year. In addition, hedge fund management fees increased by $0.1 million in correlation to the growth in average AUM.

Sub-advisory fees decreased by $0.5 million in the quarter and $1.1 million in the year from the same periods in the prior year. This can mainly be attributed to the decrease in the IA Clarington AUM and a sub-advisory relationship which ended in the fourth quarter. In addition, the redemptions and negative market performance in the closed end sub-advised funds during the year contributed to lower average AUM throughout the year.

Year to date other revenue decreased by $2.8 million from prior year mainly due to the decrease of $1.7 million in administration revenue from Argent Energy Trust as the enterprise value on which the administrative revenue is based, decreased throughout the year. In addition, the loss of two institutional investor accounts during the year contributed $1.0 million to the decrease in revenue. This was partially offset by a $0.2 million performance fee in relation to certain thresholds set out in the hedge funds.

Management fee revenue as a percentage of total revenue increased from 55% for the fourth quarter in 2013 to 67% in the fourth quarter of 2014. Sub-advisory revenue as a percentage of total revenue dropped from 24% in 2013 to 19% in the same period in 2014. Other revenue and brokerage revenue decreased from 21% at December 31, 2013 to 14% in the current quarter.

Year to date management fee revenue increased to 65% of total revenue compared to the 47% in the prior year. Sub-advisory, other and brokerage revenue dropped to 35% compared to 53% in the same period of the prior year.

Revenue as a percentage of total average AUM remained consistent with prior quarter as well as year over year.

EBITDA

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

	Quarter ended			Year ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Net Income (loss) for the period*	**$ 912**	$ 351	$ (211)	**$ 2,550**	$ 1,216
Add (deduct):					
Finance expense	**1,098**	1,077	1,152	**4,273**	4,285
Income tax expense*	**433**	625	486	**1,878**	1,241
Amortization of intangible assets - finite	**299**	298	480	**1,196**	480
Amortization of deferred sales commissions	**355**	326	178	**1,247**	880
Depreciation of property and equipment	**105**	119	133	**421**	397
EBITDA	**$ 3,202**	$ 2,796	$ 2,218	**$ 11,565**	$ 8,499
EBITDA Per diluted share	**$ 0.036**	$ 0.031	$ 0.026	**$ 0.128**	$ 0.105
EBITDA margin (as a % of revenue)	**27%**	23%	19%	**24%**	24%
Adjusted EBITDA	**$ 3,448**	$ 3,087	$ 2,518	**$ 13,207**	$ 9,677
Adjusted EBITDA Per diluted share	**$ 0.038**	$ 0.034	$ 0.030	**$ 0.146**	$ 0.120
Adjusted EBITDA margin (as a % of revenue)	**29%**	25%	22%	**28%**	27%

**Revision of certain balances in the prior period comparative financial statements have been reflected in the year ended December 31, 2013 as disclosed in Note 4 of the Consolidated Financial Statements*

For the three months ended December 31, 2014:

EBITDA for the quarter ended December 31, 2014 was $3.2 million ($0.036 per share) compared with EBITDA of $2.8 million ($0.031 per share) for the prior quarter and $2.2 million ($.026 per share) for the quarter ended December 31, 2013. The 15% increase from the prior quarter is primarily due to decrease in salaries and wages netted against the decrease in revenue and increase in general and administrative expense. The increase of 44% in EBITDA from the same quarter in the prior year is mainly attributable to the increase in revenue of $0.3 million and the decrease in salaries and wages and in general and administrative expenses of $0.4 million and $0.6 million, respectively. This was netted against the increase in trailer fees of $0.6 million.

EBITDA as a percentage of total revenues (EBITDA margin) for the fourth quarter of 2014 was 27%, compared to 23% from the prior quarter and 19% from the same quarter last year. The increase in EBITDA margin year-over-year was the result of the decrease in salaries and wages, general and administrative expenses and the increase in revenue.

For the twelve months ended December 31, 2014:

EBITDA for the twelve months ended December 31, 2014 was $11.6 million ($0.128 per share) compared with EBITDA of $8.5 million ($0.105 per share) for the twelve months ended December 31, 2013. The 36% increase is primarily due to the increase in revenue of $11.8 million, offset by the increase in salaries and wages $2.7 million, an increase in sub-advisory fees of $3.1 million and trailer fees of $2.8 million. In addition, net losses on investments increased by $0.9 million in the period. The increases in expenses were netted against the decrease in share based compensation of $0.4 million.

The increase in the twelve months ended December 31, 2014, Adjusted EBITDA from the prior year was $3.5 million due to the changes described above excluding the net losses on investments and share based compensation.

EBITDA as a percentage of total revenues (EBITDA margin) for the twelve month period as of December 31, 2014, was consistent with the same period in the prior year at 24%.

For the three and twelve month periods ended December 31, 2014, Aston Hill reported net income before taxes of $1.3 million and $4.4 million compared to $0.3 million and $2.5 million in the same respective periods in the prior year. The increase in net income year over year was mostly due to the increase in revenue. AHCM was acquired halfway through the third quarter of the prior year. Therefore, current year net income includes a full year of AHCM revenue and sub-advisory expenses.

For the three and twelve months ended December 31, 2014, Aston Hill reported net income after tax to controlling interest of $0.6 million ($0.006 earnings per share) and net income after tax to controlling interest of $1.5 million ($0.017 earnings per share), respectively, compared to net loss after tax to controlling interest of $0.5 million ($0.006 loss per share) and net income after tax to controlling interest of $0.9 million ($0.011 earnings per share) in the same periods of the prior year.

Asset Management Segment Disclosure

Asset management segment	Quarter ended			Year ended	
(in thousands of Canadian dollars)	**December 31, 2014**	September 30, 2014	December 31, 2013	**December 31, 2014**	2013
Revenues	$ 10,977	$ 11,671	$ 11,065	$ 45,036	$ 34,649
Expenses					
Salaries and wages	$ 2,842	$ 4,361	$ 3,469	$ 13,400	$ 11,553
General and administrative	1,926	1,521	2,658	7,421	7,736
Sub-advisory expense	1,126	1,257	1,229	4,921	1,806
Product development	131	199	200	608	757
Share based compensation	222	173	128	1,105	1,495
Depreciation of property & equipment	105	119	133	421	397
Amortization of intangible assets - finite	299	298	480	1,196	480
Amortization of deferred sales commissions	355	326	178	1,247	880
Trailer fees	1,533	1,499	894	5,494	2,717
Commissions	28	6	45	134	178
Net losses (profits) on investments	208	89	196	828	(215)
Finance expense	1,098	1,077	1,143	4,273	4,236
Total expenses	$ 9,873	$ 10,925	$ 10,753	$ 41,048	$ 32,020
Income before income taxes	$ 1,104	$ 746	$ 312	$ 3,988	$ 2,629
Income taxes*	$ 370	$ 575	$ 470	$ 1,765	$ 1,248
Net income (loss) for the period*	734	171	(158)	2,223	1,381
Net income (loss) to non-controlling interest	338	266	270	1,070	351
Net income (loss) to controlling interest*	$ 396	$ (95)	$ (428)	$ 1,153	$ 1,030

**Revision of certain balances in the prior period comparative financial statements have been reflected in the year ended December 31, 2013 as disclosed in Note 4 of the Consolidated Financial Statements*

For the quarter ended December 31, 2014 compared to the prior quarter:

Revenues

Total revenue was $11.0 million for the quarter ended December 31, 2014, a decrease of 6% from the $11.7 million in the prior quarter due to the decrease in period ending AUM. Management fees decreased by $0.5 million or 6% in the quarter due to a decrease of $0.7 million or 16% in closed end management fees which was partially offset by an increase of $0.2 million or 4% in open end management fees. The decrease in management fees for closed end funds were due to the redemptions during the quarter. The slight increase in open end management fees is consistent with the corresponding increase in AUM.

Sub-advisory fees decreased by $0.3 million from the prior quarter mostly as a result in the decrease in average AUM for IA Clarington sub-advised funds.

Other revenue increased by $0.1 million from the prior quarter primarily due to an annual performance fee on the hedge funds.

Expenses

Total expenses decreased by $1.1 million for the quarter ended December 31, 2014 compared to the prior quarter due to:

- A decrease in salaries and wages for the Company of $1.5 million, largely due to a non-recurring employee contractual obligation which was expensed in the third quarter of 2014 for $0.9 million. In addition, the provision accrual decreased by $0.4 million as a result of the twelve month results on which the provision is based. Sales commissions also contributed to the decrease in salaries and wages for the quarter, by $0.2 million, due to lower gross sales of open end funds in the period.
- General and administrative expenses increased by $0.4 million in the current quarter mostly in relation to an insurance recovery of $0.5 million in the third quarter for a fund compliance expense of $0.7 million which included a $0.2 million insurance deductible accrued in the prior year.
- Sub-advisory expense decreased by $0.1 million in the quarter due to the decrease in closed end funds average AUM for the quarter, as external sub-advisors are paid a percentage of the advisory revenue charged by the Company.
- Product development expense decreased by $0.1 million for the three months ended December 31, 2014, from prior quarter. 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. As the funds grew during the year, the amount of expenses that needed to be absorbed was lower.
- Share based compensation expense increased by $49,000 in the current quarter as the third quarter included a large forfeiture.
- Finance expense and commissions remained consistent with the prior quarter.
- Depreciation of property & equipment remained relatively consistent with a decrease of $14,000.
- Trailer fees are paid on open end fund subscriptions, therefore, there is a general correlation with the movement in open end funds AUM. Based on the purchase option selected by the investor, the annual rate can be a maximum of 1% of the net asset value of the fund in which the investor is invested. For the fourth quarter, trailer fees remained consistent with the prior quarter despite a slight decrease in gross sales from $120.0 million to $94.0 million due to the purchase options selected by the investors.
- Net losses on investments for the period increased by $0.1 million due to market performance.

Net income before taxes for the quarter ended December 31, 2014 totaled $1.1 million which was a $0.4 million or 48% increase from prior quarter. The increase can be attributed to a decrease in total expenses of $1.0 million netted against the decrease in revenue of $0.7 million.

For the three and twelve months ended December 31, 2014, compared to the same periods in the prior year:

Revenues

- Revenue for the quarter ended December 31, 2014 remained consistent with the same period in the prior year mostly due to the decrease in average AUM for sub-advisory funds from $4.0 billion to $3.2 billion which resulted in a decrease in revenue of $0.5 million. In addition, administration fees in relation to Argent Energy Trust also decreased by $0.5 million as a result of the negative change in enterprise value in the current year. Management fees in relation to institutional investors also decreased by $0.5 million due to the loss of two clients. This was partially offset by an increase in management fees for open and closed end funds for the quarter ended December 31, 2014, which increased by $1.5 million from the quarter in the prior year due to the Company's efforts in open end mutual fund sales throughout the year.
- Revenue for the Assets under Management segment increased by $10.4 million from the prior year. The increase can mainly be attributed to management fees which increased by $14.4 million from the prior year. $7.1 million of the increase can be attributed to the growth in open end AUM of 62% from the prior year end. In addition, there was a $7.1 million increase in revenue from the closed end funds primarily due to AHCM being included in the full year results, as the acquisition took place in the third quarter of the prior year. Hedge fund management fees increased by $0.1 million in correlation to the growth in average AUM. This was netted against the decrease in administration fees from the agreement with Argent Energy Trust which decreased by $1.7 million in the year as the unit price decrease directly impacted the enterprise value. In addition, sub-advisory revenue decreased by $1.1 million which can mainly be attributed to the decrease in the IA Clarington AUM and a sub-advisory relationship with the Strategic Income Allocation Fund which ended in the fourth quarter. In addition, the redemptions and negative market performance in the closed end sub-advised funds during the year contributed to lower average AUM throughout the year. Institutional investor revenue also decreased by $1.1 million due to the loss of two institutional clients throughout the year.

Expenses

- Salaries and wages for the three months ended December 31, 2014, were lower by $0.6 million than the same period in the prior year due to the fourth quarter provision accrual based on the final 2014 twelve month financial results at the end of the period upon which the provision is based. Year to date salaries and wages increased by $1.8 million due to additional sales personnel in the year as well as increased sales commissions paid over the twelve months as a result of open end fund sales. In addition, $0.9 million from a non-recurring employee contractual obligation was expensed in the third quarter, which contributed to higher salaries and wages in the third quarter.
- General and administrative expenses decreased by $0.7 million in the three month period mostly as a result of an accrual made at December 31, 2013 for a fund compliance expense of $0.5 million and a $0.2 million insurance deductible that did not re-occur in the fourth quarter of 2014.
- General and administrative expenses decreased by $0.3 million in the twelve month period primarily as a result of an accrual made at December 31, 2013 for a fund compliance expense of $0.7 million that did not re-occur in the fourth quarter of 2014. In addition, the compliance expense was recovered through insurance in the third quarter of 2014. Therefore the combined timing effect of the expense booked in 2013 and the recovery in 2014 resulted in a decrease in general and administrative expense of $1.2 million. This was netted against an increase in marketing expense of $0.3 million and an increase in office expense of $0.5 million which can be attributed to the Company's focus on open end funds sales and the launch of new funds throughout the year. Rent also increased by $0.2 million in the year due to a new lease agreement which came into place in the first quarter of 2014.

- Sub-advisory expense decreased by $0.1 million for the three months ended December 31, 2014, and increased by $3.1 million for the twelve months ended December 31, 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 one and a half quarters in the prior year and for the full year in 2014. The decrease in the current quarter compared to the same quarter in the prior year is due to the decrease in AHCM closed end fund AUM from the prior year, while the year over year increase reflects the full year results of 2014, in contrast to the partial year results in 2013.
- Product development expense decreased by $0.1 million for the three and twelve months ended December 31, 2014. 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. As the funds grew during the year, the amount of expenses that needed to be absorbed was lower.
- Trailer fees increased by $0.6 million for the three months ended December 31, 2014, compared to the same period in the prior year. The full year trailer fees increased by $2.8 million from the prior year due to increased open end fund sales in the year.
- Share based compensation expense remained relatively consistent between the three months ended December 31, 2014 and the same period in the prior year with a movement of $0.1 million. The year to date share based compensation expense decreased by $0.4 million from the prior year, of which $0.2 million relates to a large stock option and deferred share unit forfeiture. The remainder is due to a prior year expense being inclusive of a one time share based compensation issued in a prior year related to corporate acquisitions.
- Depreciation of property & equipment increased by $24,000 due to additions in the year.
- Amortization expense on finite life intangible assets for the three months ended December 31, 2014, was $0.2 million lower than the same period in the prior year. AHCM was acquired halfway through the third quarter of 2013, and as the purchase price was not finalized until the fourth quarter, amortization on the finite life intangible assets was prorated for four and a half months at the end of the prior year. For the year ended December 31, 2014, the amortization expense on finite life intangible assets increased by $0.7 million to reflect a full year of amortization.
- The amortization of deferred sales commissions increased by $0.2 million for the three months ended December 31, 2014, compared to the same period in the prior year and full year amortization of deferred sales commissions increased by $0.4 million from the prior year due to additional low load fund subscriptions in 2014.
- Net losses on investments decreased by $12,000 and increased by $1.0 million for the three and twelve month period, respectively, primarily due to the fluctuation in Argent Energy Trust's unit price.
- Finance expense remained relatively consistent with the prior year for the three and twelve month periods ended December 31, 2014.

Net income before taxes for the quarter ended December 31, 2014, totaled $1.1 million which is an increase of $0.8 million or 259% from the same quarter in the prior year. This can mainly be attributed to the decrease in total expenses of $0.9 million.

Net income before taxes for the year ended December 31, 2014, totaled $4.0 million which is an increase of $1.4 million or 52% from the prior year. This is due to the increase of revenue in the year of $10.4 million netted against the increase in total expenses of $9.0 million.

Brokerage Segment Disclosure

Brokerage Segment	Quarter ended			Year ended	
(in thousands of Canadian dollars)	**December 31, 2014**	September 30, 2014	December 31, 2013	**December 31, 2014**	2013
Revenues*	$ 733	$ 729	$ 359	$ 2,293	$ 913
Expenses					
Salaries and wages	452	439	273	1,553	688
General and administrative	224	31	138	591	450
Net (profits) losses on investments	(184)	29	(24)	(291)	(102)
Finance expense	-	-	9	-	49
Total expenses	$ 492	$ 499	$ 396	$ 1,853	$ 1,085
Income before income taxes	$ 241	$ 230	$ (37)	$ 440	$ (172)
Income taxes	$ 63	$ 50	$ 16	$ 113	$ (7)
Net income (loss) for the period	$ 178	$ 180	$ (53)	$ 327	$ (165)
Net income (loss) to non-controlling interest	-	-	-	-	-
Net income (loss) to controlling interest	$ 178	$ 180	$ (53)	$ 327	$ (165)

*includes intersegment elimination entries

For the quarter ended December 31, 2014, compared to the prior quarter:

Revenues

- Total revenue from the brokerage segment relates to brokerage fees and remained consistent quarter over quarter as the average AUM related to the brokerage fees did not change significantly.

Expenses

- Total expenses remained consistent quarter over quarter as salaries did not increase significantly. General and administrative expenses increased due to an increase of $0.2 million in office expenses. This was partially offset by the net profits on investments.
- Net income before taxes for the quarter ended December 31, 2014, was $0.2 million which is consistent with the prior quarter.

For the three and twelve months ended December 31, 2014, compared to the same periods in the prior year:

Revenues

- Total revenue increased by $0.4 million or 104% for the quarter ended December 31, 2014, and $1.4 million or 151% for the year. The increase can mainly be attributed to the increase in brokerage AUM from $161.0 million in the prior year to $331.0 million which is a change of 105%.

Expenses

- Total expenses increased by $0.1 million or 24% for the quarter ended December 31, 2014, and $0.8 million or 71% for the year ended December 31, 2014. The increase is due to an increase in salaries and wages as additional investment advisors were hired in the latter half of 2013. Therefore a full year of salaries and wages were recorded in the 2014 statements. In addition, commission expense also increased as the investment advisors got a share of the commission revenue that had increased.
- Net income before taxes for the quarter and year ended December 31, 2014, was $0.2 million and $0.4 million, respectively, which is an increase of $0.2 million and $0.6 million from the same periods in the prior year.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	**December 31, 2014**	December 31, 2013
Working capital	**12,031**	6,973
Total assets	**97,884**	100,167
Long term debt (convertible debentures)	**38,087**	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 Ontario Securities Commission ("OSC") 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. Aston Hill Securities 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 December 31, 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 $0.3 million (December 31, 2013 - $0.2 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, 2014, in note 13.

For the twelve month period ended December 31, 2014, the Company paid $5.5 million of dividends compared to $4.3 million in the same period of the prior year.

Financing costs paid on convertible debentures remained relatively consistent year over year at $2.4 million and $2.4 million, respectively, as the principal amount of convertible debentures did not change significantly.

Aston Hill paid deferred sales commissions of $2.2 million in the twelve months ended December 31, 2014, compared to $2.1 million 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 December 31, 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 December 31, 2014								
		Total	2015	2016	2017	2018	2019	Thereafter
Financial liabilities:								
Trade and other payables		$ 4,165	$ 4,165	$ -	$ -	$ -	$ -	$ -
Convertible debentures	-principal	40,176	-	40,176	-	-	-	-
	-interest	4,822	2,411	2,411	-	-	-	-
Operating leases		4,898	1,862	750	517	519	483	767
Forward purchase contract		4,100	-	603	-	3,497	-	-
		$ 58,161	**$ 8,438**	**$ 43,940**	**$ 517**	**$ 4,016**	**$ 483**	**$ 767**

Summary Balance Sheet Data

(in thousands of Canadian dollars)		
	December 31, 2014	December 31, 2013
Current assets	**$ 20,077**	$ 15,777
Non current assets	**77,807**	84,390
Total Assets	**$ 97,884**	$ 100,167
Current liabilities	**$ 8,046**	$ 8,804
Non current liabilities*	**53,713**	51,592
Total Liabilities	**$ 61,759**	$ 60,396
Non-controlling interest	**233**	463
Shareholders' equity*	**35,892**	39,308
Total Liabilities & Shareholders' Equity	**$ 97,884**	$ 100,167

**Revision of certain balances in the prior period comparative financial statements have been reflected in the year ended December 31, 2013 as disclosed in Note 4 of the Consolidated Financial Statements*

The balance sheet for Aston Hill at December 31, 2014, reflects total assets of $97.9 million, a decrease of $2.3 million from $100.2 million at December 31, 2013. The decrease from the prior year can be mainly attributed to accounts receivable decreasing by $1.7 million, to $5.2 million, mostly due to improved collection time on AHCM revenue compared to the prior year. In addition, investments at fair value through profit or loss decreased by $0.3 million in the period. The remaining $0.4 million decrease was primarily due to the receipt of payment from Argent for the second tranche of RTUs on August 10, 2014.

Total liabilities increased by $1.4 million, to $61.8 million, at December 31, 2014, from $60.4 million at December 31, 2013. The primary contributor to this increase was a change in estimate for a recognition of deferred tax asset on a capital loss carry forward in the third quarter of 2014, 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 at this point in time. This resulted in an increase in deferred tax liability of $0.4 million. In addition, the convertible debentures liability has increased by $1.7 million in the twelve month period ended December 31, 2014. The movement in the convertible debentures is reconciled in note 21 of the audited annual 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, trade and other payables decreased by $0.5 million as at December 31, 2014, compared to the prior year end mostly due to the non-recurring fund compliance expense that was accrued at the end of the prior year.

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 December 31, 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. Subsequent to year end, on February 6, 2015, the assets under management covenant was revised to not fall below $3.0 billion.

Shareholders' equity decreased by $3.4 million during the twelve month period ended December 31, 2014, mainly as a result of dividends paid of $5.5 million. This was offset by net income for the period of $1.5 million and $0.6 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 and annual filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Internal controls over financial reporting ("ICFR") have been designed using the Committee of Sponsoring Organizations ("COSO") 2013 framework in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. For the year ended December 31 2014, there have been no changes in ICFR 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 December 31, 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 December 31, 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 2014 annual Consolidated Financial Statements.

Aston Hill is exposed to a number of risks through the pursuit of our strategic objectives as listed below:

- Exposure to the securities market
- Credit risk
- Concentration risk
- Investment performance of the funds
- Competitive pressures
- Rapid growth or decline in our AUM
- Sufficiency of insurance
- Changes to the investment management industry regulations
- Dependence on senior management
- Commitment of key personnel
- Employee errors or misconduct
- Capital requirements
- Litigation risks
- General business risk and liability
- Failure by the Company to implement effective information security policies, procedures and capabilities
- Failure by the Company to implement effective and efficient technologies
- Failure to develop effective business resiliency plans and information technology recovery plans
- Failure to comply with government regulations

The foregoing risk factors are mitigated to the extent possible and practical from a cost and perceived benefit perspective by senior management's direct involvement in the day-to-day operation of the business. Senior management meets on a regular basis to address any concerns with the risks discussed above as well as managing any new risks which may arise through business. Financial information as well as in-depth analysis are reviewed by management on a monthly and quarterly basis and therefore mitigate risks in employee and reporting errors. Aston Hill maintains appropriate internal controls and procedures to safeguard assets, control expenses and ensure that financial reporting is accurate and reliable.

Some of these risks impact the investment industry as a whole, and others are unique to our operations. Actively managing these risks improves our ability to effectively execute our business strategy. Our risks have not changed substantially since December 31, 2013. A more in-depth discussion of material risk factors affecting the Company can be found in our annual Consolidated Financial Statements for the year ended December 31, 2014.

Related Party Transactions

a) The funds identified on page 10 of the MD&A are considered to be related parties to the Company's subsidiaries who manage or sub-advise these funds. As such, the managers of the funds receive management fees and sub-advisory fees and pay for expenses incurred by their various funds under management in accordance with the terms outlined in the applicable prospectus. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with the prospectus of the funds.

Accounts receivable as at December 31, 2014, consist of $3.6 million (December 31, 2013 - $3.6 million) in management fees and other amounts due from funds under management. Accounts payable as at December 31, 2014, includes $0.3 million (December 31, 2013 - $0.2 million) in amounts due to funds under management.

For the year ended December 31, 2014, $34.0 million (December 31, 2013 - $21.2 million) was recorded as revenue in respect of these management and other fees. In addition, for the year ended December 31, 2014, the Company absorbed $0.6 million (December 31, 2013 - $0.8 million) of expenses incurred by funds under management.

b) As of May 21, 2014, Argent is no longer considered to be a related party as key management personnel of Aston Hill ceased to perform key management personnel services to Argent, however all income statement transactions incurred up to this date are considered to be related party transactions. The transactions discussed below for the current year are for the period in which Argent was considered a related party.

i) For the year ended December 31, 2014, total administrative revenue recorded from January 1, 2014 to May 21, 2014 of $0.7 million (December 31, 2013 - $2.9 million) was considered to be related party. The Company recorded $0.3 million for the period from January 1, 2014 to May 21, 2014 (December 30, 2013 - $2.5 million) in salary & overhead recoveries for shared overhead costs that have been reimbursed by Argent.

As at December 31, 2014, $nil (December 31, 2013 - $0.8 million) of the accounts receivable balance is considered to be related party from Argent.

ii) On August 10, 2012, 0.2 million 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. As Argent is no longer considered to be a related party post May 21, 2014, only revenue recorded before that day is disclosed in the year end balances. For the year ended December 31, 2014, a gain of $24,000 (December 31, 2013 – gain of $0.9 million) was recorded as revenue.

As at December 31, 2014, $nil (December 31, 2013 - $0.4 million) of the short and long term restricted trust units receivable balance is considered to be related party.

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

In addition, payments of expenses are centralized and paid out of Aston Hill. As such RJT reimburses Aston Hill for any expenses paid on its behalf. As at December 31, 2014, $18,000 (December 31, 2013 - $11,000) of trade and other receivables relate to RJT for operating expenses incurred on behalf of the subsidiary which were paid by the Company. As at December 31, 2014, $0.1 million (December 31, 2013 - $0.1 million) of trade and other payables related to the consulting fee payable to RJT. Total consulting fees incurred year to date as at December 31, 2014 was $1.1 million (December 31, 2013 - $0.9 million).

d) The aggregate compensation expense of key management[(i)] was as follows:

(thousands of Canadian dollars)		**December 31, 2014**		December 31, 2013
Wages and salaries[(iii)]	**$**	**4,480**	$	3,803
Benefits and other personnel costs		**385**		371
Share based payments [(ii)]		**383**		683
Total remuneration	**$**	**5,248**	$	4,857

i) Key management includes the Company's directors and officers.

ii) Represents the amortization of stock based compensation associated with options granted to directors and executive officers as recorded in the financial statements.

iii) The wages and salaries balance includes a non-recurring employee contractual obligation paid in the year of $0.9 million.

e) As at December 31, 2014, $1.9 million (2013 - $1.0 million) of the financial assets at fair value through profit or loss are related to seed capital provided by the Company to provide capital to new funds that are managed by Company. As these funds are managed by the Company's subsidiaries, they are considered to be related party. For the year ended December 31, 2014, $0.1 million (2013 - $0.1 million) of the net gains 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 Events

On January 24, 2015, the Company released 0.5 million shares from treasury pursuant to the deferred equity plan.

On February 3, 2015, the Company announced the quarterly cash dividend in the amount of $0.015 per Common Share which was paid on February 24, 2015 to all Aston Hill shareholders of record on February 13, 2015.

On February 13, 2015, the Company announced the non-renewal of the sub-advisory agreement with IA Clarington. For the year ended December 31, 2014, revenue related to IA Clarington accounted for 16% of total revenue compared to 24% for the prior year end. Based on the most recent sub-advisory fee from IA Clarington, had the sub-advisory agreement been renewed, the Company would have been expected to generate an estimated $5.7 million in additional revenue in 2015. Following the non-renewal of the sub-advisory agreement, the Company was required to pay a contractual obligation of $0.4 million in February 2015.

Significant Accounting Policies & Estimates

The annual Consolidated Financial Statements for the year ended December 31, 2014, have been prepared in accordance with IFRS. The accounting policies followed are the same as those applied in the Company's annual Consolidated Financial Statements for the period ended December 31, 2013. For a discussion of all significant accounting policies, please refer to note 3 of the December 31, 2014, Notes to the Consolidated Financial Statements. Also included in the Notes to the Consolidated Financial Statements is note 5 which includes a discussion on the determination of the fair values of the Company's investments.

In accordance with IAS 8, the Company accrued a fund compliance expense based on reasonable estimates in the fourth quarter of 2013. During the third quarter of 2014, the compliance expense was substantially 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 26 of the audited Consolidated Financial Statements dated December 31, 2014, includes a discussion on the change in estimate for a compliance expense that was accrued at December 31, 2013, and substantially recovered through insurance in the third quarter of 2014.

Included in the deferred tax provision for the year is a change in estimate recorded in the third quarter 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 less probable than not due to current market conditions. Please refer to note 26 of the audited annual Consolidated Financial Statements for further discussion.

Management assesses operating and reportable segments on an annual basis. This assessment follows the principles of IFRS 8 and involves judgment on the type of internal reporting reviewed by management to make strategic operational decisions for the Company, whether discrete financial information is available and whether revenues and expenses that are incurred are allocated or aggregated. The Company has determined that there are two operating segments, being “asset management” and “brokerage”. The Company assessed the aggregation and quantitative criteria for reportable segments and concluded that the brokerage operating segment cannot be aggregated with the Assets under Management operating segment and is also below the quantitative threshold. The Company has included the disclosure for the brokerage operating segment as “brokerage”. Please refer to note 2(d) and note 27 in the December 31, 2014, Consolidated Financial Statements for further information.

Management judgment is required for the classification of Intangible assets as either indefinite life or finite life. The assessment of the useful life of intangible assets is based on the guidance provided in IAS 38.90. The main factors that are considered are: i. intangible assets during the year can be managed efficiently by another management team; ii. there are no fixed termination dates that can be foreseen; and iii. the rights to the intangible assets acquired by the Company do not expire. If the Company assesses that an intangible asset has a finite life, the Company must estimate the useful life of the intangible asset based on fixed termination dates and rights to the intangible assets. Please refer to note 3(e) in the December 31, 2014, Consolidated Financial Statements.

The Company completes a cash generating unit analysis and identification process annually in accordance with IAS 36(66) which defines a cash generating unit as the smallest group of assets that includes the asset and generates cash inflows that are largely independent cash inflows from other assets or groups of assets. The identification involves judgment and the following four criteria are assessed: i. Operations; ii. Regulatory regime; iii. Management; and iv. Revenue. As at December 31, 2014, the Company has assessed that two Cash Generating Unit exists within the organization, asset management CGU and brokerage CGU. The change from the prior year assessment was due to the movement from one operating segment to two operating segments in the current year.

The Company’s goodwill and indefinite life intangible assets are reviewed for impairment annually or more frequently if changes in circumstances indicate that the carrying value may be impaired. The values associated with the valuation of the Company’s goodwill and indefinite life intangibles and their allocation CGUs involve significant estimates and assumptions. The Company uses the higher of fair value less cost to sell and the value in use method in order to calculate the recoverable amount of the CGU. Significant estimates require considerable judgment regarding the underlying AUM associated with the CGUs and available AUM multiples from recent transactions for similar assets within the same industry. Further details are provided in note 3(e) and note 14.

All investments held at fair value through profit or loss, except for the Company’s investment in Argent Energy Trust, consist of seed capital in the Company’s funds under management. Management uses judgment in its assessment for control, significant influence or joint control as well as for the appropriate disclosures at each reporting period based on the principles of IFRS 10, IAS 28 and IFRS 12. Please see note 3(q) in Notes to the Consolidated Financial Statements for the year ended December 31, 2014, for further details.

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 amendment did not have a material impact on the Company's financial statements.

The following standards will be adopted effective January 1, 2015:

IAS 24 – Related Party Transactions

The IASB amended IAS 24 Related Party Transactions to revise the definition of "related party" to include an entity that provides key management personnel services to the reporting entity or its parent and to clarify related disclosure requirements. The Company is in the process of assessing the impact on its financial statements as a result of this amendment.

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets

The IASB amended IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to clarify how gross carrying amount accumulated depreciation are treated when an entity uses the revaluation model. The Company does not anticipate any impact on its financial statements as a result of this amendment.

IAS 19 – Employee Benefits

The IASB amended IAS 19 Employee Benefits to reflect significant changes to recognition and measurement of defined pension expense and terminated benefits and expanded disclosure requirements. The Company did not anticipate any impact on its financial statements as a result of this amendment.

The following standards will be adopted effective January 1, 2016:

The Company is still evaluating the impact of the following amendments on its financial statements.

IAS 1 – Presentation of Financial Statements

The IASB amended IAS 1 Presentation of Financial Statements to clarify guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policy.

IFRS 10 – Consolidated Financial Statements

The IASB amended IFRS 10 Consolidated Financial Statements to clarify the application of the consolidation exception for investment entities and their subsidiaries.

IAS 16 – Property, Plant and Equipment

The IASB amended IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets to: (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated; and (ii) provide a rebuttable presumption for intangible assets.

IFRS 7 – Financial Instruments: Disclosures

The IASB amended IFRS 7 Financial Instruments: Disclosures, to: (i) add guidance on whether an arrangement to service a financial asset which has been transferred constitutes continuing involvement; and (ii) clarify that the additional disclosure required by the amendments to IFRS 7, (Disclosure – Offsetting Financial Assets and Financial Liabilities), is not specifically required for interim periods, unless required by IAS 34.

The following standards will be adopted effective January 1, 2017:

IFRS 15 – Revenue from Contracts with Customers

The IASB will issue IFRS 15 Revenue from Contracts with Customers. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The Company has not yet begun the process of assessing the impact the new standard with have on its financial statements.

Financial Instruments

As of December 31, 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.

As at December 31, 2014, the fair value of cash and cash equivalents, trade and other receivables, notes receivable, provisions and trade and other payables 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 December 31, 2014, the restricted trust units receivable were fair valued to be $68,000 (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 shares 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 consists of an investment in units of 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 December 31, 2014, the Company's investments at fair value through profit or loss totaled $2.0 million (December 31, 2013 - $2.4 million). During the twelve month period ended December 31, 2014, the Company recorded net unrealized loss on its marketable securities of $1.0 million compared to the $0.2 million gain from the prior year.

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).

The fair value of the Company's investment in Journey Energy Inc. (formerly Sword Energy Inc.) that was sold on June 19, 2014 was 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 historically fluctuated materially from quarter to quarter. The Company sold its equity investment in Journey on June 19, 2014. The Company previously owned 1.4 million 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. Upon the sale of the equity investment, the total accumulated other comprehensive loss and the change in fair value during the period was transferred into retained earnings, consistent with IFRS 9.

Outstanding Share Data

Capital	Authorized	Outstanding as at March 5, 2015	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited	89,486,801	Not applicable
Stock options	Not applicable	7,194,509	7,194,509
Convertible debentures (face value) 6.00% maturing 2016	Not applicable	$ 40,164,000	15,750,588

[1] The common shares are presented net of 110,092 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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