Management Discussion and Analysis
For the year ended December 31, 2015

Management's Discussion and Analysis

The following management discussion and analysis ("MD&A") dated March 18, 2016 presents the financial condition, changes in financial condition and results of operations for Aston Hill Financial Inc. ("Aston Hill" or the "Company") and should be read in conjunction with the audited consolidated financial statements and accompanying notes of the Company for the years ended December 31, 2015, and 2014. The historical information of the Company can be found on SEDAR under Aston Hill Financial Inc. Unless otherwise indicated, all dollar amounts in this MD&A are expressed in Canadian dollars.

Forward-looking statements

This MD&A may contain forward-looking statements with respect to expected financial performance, strategy and business conditions. The words "believe", "will", "would", "aim", "may", "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks and uncertainties. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from expectations include, among other things, general economic and market conditions, including interest rates, global financial markets, changes in government regulations, industry competition, technological developments and other factors described under "Risk Management" or discussed in other materials filed with applicable securities regulatory authorities from time to time. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the investment fund industry will remain stable and that interest rates will remain relatively stable. The reader is cautioned against undue reliance on these forward-looking statements.

Non-IFRS Financial Measures

The Company uses several non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes that these measures are useful to most shareholders, creditors, other stakeholders and investment analysts in analyzing Aston Hill's results. These non-IFRS financial measures should not be considered as an alternative to the Consolidated Net and Comprehensive Income or any other measure of performance under IFRS.

Assets Under Management

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

Average Assets Under Management

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

EBITDA

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

Adjusted EBITDA

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

EBITDA Margin and Adjusted EBITDA Margin

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

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

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

Material Contracts

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

Overview

Aston Hill is a publicly traded corporation listed on the Toronto Stock Exchange (the "TSX") under the symbol "AHF" and is incorporated under the Business Corporations Act of Alberta. The primary business focus of the Company is the management of investment funds. In addition, Aston Hill's services also include high net worth investment management, institutional investment management, portfolio advisory services and other fee based investment products in Canada. For operational and management purposes, the Company was previously organized into operating segments based on its products and services and had two reportable segments: asset management and brokerage. As of December 31, 2015, the Company assessed that the brokerage segment was not significant to disclose separately. In addition, the Company committed to a plan to sell the brokerage segment of the business in November 2015. The Company entered into an agreement to sell its brokerage segment on March 11, 2016. The sale is expected to close on or about March 31, 2016. As a result, this unit is presented as held for sale as at December 31, 2015. The Company now operates only one business segment which is the activity related to management, sub-advisory services and administration services for the Company's funds under management.

During the year ended December 31, 2015, financial results were impacted by the following:

- The Company completed a non-brokered private placement of 13,302,000 units at a purchase price of $0.45 per unit, for total proceeds of $6.0 million.
- On October 28, 2015, holders of the 6.0% extendible convertible unsecured debentures maturing July 31, 2016 ("the original debentures") approved several amendments. The effective date of the amendments was November 16, 2015. The amendments extended the maturity date of the convertible debentures from July 31, 2016 to January 31, 2019; reduced the conversion price from $2.55 per share to $0.65 per share; increased the interest rate payable from 6.00% to 6.50% per annum, and other than with respect to the partial redemption described below, restrict the company from exercising its right to redeem any convertible debentures until July 31, 2017.
- Prior the effective date of the amendments to the convertible debentures, the Company redeemed $6.0 million of the 6.0% convertible unsecured subordinated debentures due July 31, 2016 in cash on a pro-rata basis.
- The amendments to the debentures resulted in them being accounted for as an extinguishment for accounting purposes. Consequently, the original debentures were derecognized and the 6.50% extendible convertible unsecured debentures maturing January 31, 2019 ("the amended debentures") were recognized at fair value, resulting in a gain on extinguishment of $4.0 million, net of transaction costs of $0.2 million.
- The Company repurchased 1,654,000 common shares through its normal-course issuer bid for a total transaction cost of $582,000 including commission expenses.
- On June 30, 2015, the Company announced its cost cutting initiatives through the consolidation of certain corporate functions from the Calgary office to the Toronto office. This initiative resulted in $3.6 million of restructuring costs being recognized in the second quarter of 2015 and an additional $0.7 million being recognized in the fourth quarter. Restructuring costs of $1.3 million were paid during the year, reducing the provision.
- Salaries and wages decreased by $1.9 million compared to the prior year as the benefits of the restructuring in the third quarter, announced on June 30, 2015, began to be realized.
- On February 13, 2015, the Company announced the non-renewal of its sub-advisory agreement with IA Clarington Investments Inc. This reduced the AUM for sub-advised funds by $2.2 billion year over year.
- The non-renewal of the IA Clarington sub-advisory agreement and the decrease in average AUM for closed end mutual funds contributed $10.5 million of the total decrease in revenue for 2015. Revenue from open end mutual funds showed an increase of $1.3 million compared to the prior year.
- Sub-advisory revenue as a percentage of total revenue was 6% compared to 22% in the prior year due to the non-renewal of the IA Clarington sub-advisory agreement and the termination of the sub-advisory relationship with CIBC.
- Revenue from management fees as a percentage of total revenue was 82% for the year ended December 31, 2015, compared to 67% for the prior year.
- Other revenue and income as a percentage of total revenue was 8%, consistent with the prior year.
- Gross open end mutual fund sales totaled $363.0 million in 2015. Redemptions during the year totaled $553.0 million, which resulted in net redemptions of $190.0 million.
- Managed closed end funds AUM decreased by $422.0 million during the year as a result of redemptions and changes in market value.

- The Company's brokerage unit was classified as held for sale in the fourth quarter of the year and, as a result, the assets and liabilities of the disposal group were written down to the lower of their carrying value or fair value less costs of disposal, resulting in an impairment of $0.4 million being recorded against the intangible assets of the disposal group.
- The annual impairment test performed by the Company as at December 31, 2015 resulted in an impairment loss of $15.5 million being recognized in respect of the Company's asset management cash generating unit ("CGU").
- A change in the estimated useful life from 48 months to 36 months, and higher redemptions of low-load series units contributed to a $0.4 million increase in amortization of deferred sales commissions compared to the prior year.
- It was announced on February 11, 2016 that James Werry will be appointed in the role of President and Chief Executive Officer.
- Subsequent to year end, on March 11, 2016, the Company entered into an agreement to sell its brokerage operation, which is expected to close on or about March 31, 2016 and is not expected to have a significant impact on the Company's results or financial position.
- On March 14, 2016, the Company announced a plan to merge three of its funds which have similar mandates. If approved by fund security holders, the merger will take effect in May 2016 and put more assets directly under the stewardship of our Chief Investment Officer, Ben Cheng, and lead to significant cost savings at the fund and corporate levels.

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 First Asset Management Inc. ("First Asset"), Newport Private Wealth Inc. ("Newport"), and BMO Nesbitt Burns ("BMO"). Six licensed portfolio managers, including Ben Cheng, Barry A. Morrison, Andrew Hamlin, Vivian Lo, Darren Cabral and John Kim in the Toronto office, are responsible for managing the portfolios of the Financial Portfolio Management and Advisory division of Aston Hill as of December 31, 2015.

AHF Capital Partners ("AHFCP") manages and provides sub-advisory services for four funds included in the Company's AUM. AHFCP has one licensed portfolio manager, Alexander (Sandy) Liang in the Toronto office. AHFCP is 49% owned by RJT Capital Inc., a related party that represents the non-controlling interest.

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 owned: 5.88% by a current executive and director and 14.12% by a former executive and director. The combined 20% represents the non-controlling interest.

Aston Hill Securities Inc. ("AHS") is an investment dealer, and a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"). AHS provides professional, personalized trading and investment services to private investors. At December 31, 2015, this subsidiary was included in the disposal group and classified as held for sale and subsequent to year end, on March 11, 2016, an agreement to sell AHS was entered into with closing of the transaction expected to occur on or about March 31, 2016.

Business Drivers

Aston Hill's revenues are derived mainly from management fees, calculated as a percentage of daily average net asset value ("NAV") for funds under management. The AUM balance presented for each period end represents the ending NAV for funds under management. Management fees generally correlate with the trend in average AUM, however, total revenue for management fees may deviate as a result of volatile daily average NAV within the reporting period. In addition, open end funds and closed end funds command different annual management fee rates for each fund. Open end funds generally have annual management fee rates that range from 1% (100 bps) to 2% (200 bps), while closed end funds average below 1% (100 bps). As such, movement within open end fund average daily NAV would generate greater fluctuation in management fee revenue. The sub-advisory fees are based on the aggregate net asset value of the sub-advisory funds at set percentage rates ranging from 0.15% (15 bps) to 0.5% (50 bps) and are recognized on an accrual basis. Brokerage revenue encompasses brokerage fees, investment management fees, and trading commissions, which are recognized as the related services are performed. The Company may also earn other income or incur losses from its cash balances and its investments, if any, which include newly seeded portfolios.

Aston Hill's expenses include salaries and benefits (which contain an incentive component that may fluctuate based on the overall performance of the Company), product development, general and administrative expenses, sub-advisory expense, share based compensation, depreciation of property and equipment, amortization of finite life intangible assets, amortization of deferred sales commissions, trailer fees, commissions and restructuring costs. Trailer fees are paid on the subscription of certain open end funds and therefore increases with an increase in open end fund sales.

Net additions or net withdrawals of client capital, acquisitions, as well as investment performance are the main factors that impact AUM. Aston Hill's goal is to attract and retain investors through its expertise in liquid alternative strategies, income and structured products, as well as its commitment by its staff to provide excellent customer service. The wealth of knowledge accumulated by management and the investment team in this space has allowed for an expansion of revenue lines in the open end fund, closed end fund, sub-advisory and administrative services sector.

Market Outlook and Business Environment

Market Outlook

Given the volatility experienced in 2015 and the negative investor sentiment in December towards risk assets, one has to ask the question whether we are heading into a recession in 2016. The answer is not an easy one to definitively say "yes or no" – and is of course fraught with doubt and numerous contradictory arguments. That being said, we believe we are in the middle of a very long (and slow) economic expansion that should produce some volatile returns. While many of the drivers of the bull market are coming to an end, this does not mean that the market cannot continue going up. The new reality that we all have to get used to is more volatility, as witnessed really for the first time in a sustained manner in the latter half of 2015. The business cycle in the US continues to be marginally stronger than most forecasters' estimates. Unemployment is low while wage growth continues to advance. The US housing market has been resilient and GDP growth, while below expectations, remains in positive territory.

In 2016 we expect equities will outpace credit, but make no mistake about it: volatility will persist. Low inflation and still easy monetary policy should allow equities to improve further, while credit will be challenged by higher yields and rising defaults. Investors should be paying attention to dividends and focus on those companies that are paying dividend yields in excess of government bond yields. By way of example, on December 29, 2015 the U.S. 10-Year Treasury yield was 2.32% and there were 210 stocks in the S&P 500 that had a dividend yield in excess of the U.S. 10-Year Treasury bond yield.

Business Outlook

2015 was an extremely significant year for the Company, particularly from a corporate initiatives standpoint. The Company has gone through a lot of important change over the past twelve months and is a significantly better company today because of it. The on-going investments made to create an expansive retail distribution platform and the recent changes to our internal infrastructure provides us with the opportunity to drive meaningful profitability and growth specifically in our proprietary products.

Some noteworthy highlights from the quarter include:

- Completion of the corporate reorganization including the approval of debenture amendments and date of partial redemption. The approval of the amendments was an important component of the Company's recapitalization initiatives, which formed part of the broader corporate reorganization. With these initiatives completed, the company was able to focus on executing its strategic business plan and increasing marketing and sales efforts, including its strategies specifically focused on Ben Cheng.
- Ben Cheng commenced managing funds exclusively for Aston Hill. To coincide with this milestone the Aston Hill High Income Fund was launched to utilize Mr. Cheng's twenty-five years of income-focused investing experience. Additionally Mr. Cheng was appointed as co-manager on the Aston Hill Global Growth & Income Fund.
- Announced exclusive partnership with Manitou Investment Management on Canadian-Focused Equity Mandate, naming Peter Hofstra as lead Portfolio Manager of the Aston Hill Canadian Total Return Fund. For the past six years, the Manitou team has been building a successful track record for their high net worth and institutional clients. This partnership with Manitou provides another avenue for Aston Hill to continue to bring low volatility, risk-focused mandates to the retail investment industry.
- Continued efforts to provide a clearly defined product line-up, which is focused on Liquid Alternative funds.
- Subsequent to December 31, 2015, on February 11, 2016 the Company announced the appointment of James Werry as President and Chief Executive Officer. Mr. Werry's extensive experience within the Canadian investment industry complements the Company in the areas of strategic development and execution, distribution relationships, and general oversight. The majority of Mr. Werry's thirty-four years in the Canadian investment industry were spent at ScotiaMcLeod where he held a number of progressively senior positions, ultimately becoming Managing Director and Head of ScotiaMcLeod. After leaving ScotiaMcLeod in 2003, Mr. Werry founded and was CEO of what has become one of Canada's largest independent private client investment firms, Richardson GMP (formerly GMP Private Client). As CEO, Mr. Werry will take an active role in leading the direction of the firm's strategy of becoming Canada's leading provider of Liquid Alternative mutual funds.
- Subsequent to December 31, 2015, on March 11, 2016, the Company entered into an agreement to sell its brokerage operations, Aston Hill Securities Inc. The transaction allows for further operational efficiencies and cost savings while also allowing the Company to focus on its core competency of managing retail mutual funds, closed end funds, hedge funds, and segregated institutional funds. The transaction is expected to close on or about March 31, 2016.
- Subsequent to December 31, 2015, on March 14, 2016, the Company announced a plan to merge three of its open end mutual funds. The reorganization of these funds accomplishes the key objectives of: putting more assets directly under the management of our CIO, Ben Cheng, reducing the operating costs of the funds and further cost reductions to the Company.

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, 2015**	September 30, 2015	December 31, 2014
Assets Under Management , Advisory, Brokerage and Other			
Managed funds			
Open end funds	**$ 870**	$ 976	$ 1,061
Closed end funds	**1,031**	1,171	1,453
Hedge funds	**25**	27	28
Total Aston Hill managed funds	**$ 1,926**	$ 2,174	$ 2,542
Sub-advised funds			
Open end funds	**90**	92	2,847
Closed end funds	**74**	91	127
Total sub-advised funds	**$ 164**	$ 183	$ 2,974
Other assets	**243**	317	407
Brokerage	**337**	351	331
Total Assets under Management, Advisory, Brokerage and Other	**$ 2,670**	$ 3,025	$ 6,254

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, 2015**	September 30, 2015	December 31, 2014
Average Assets Under Management , Advisory, Brokerage and Other			
Managed funds			
Open end funds	**$ 918**	$ 1,002	$ 1,070
Closed end funds	**1,081**	1,250	1,504
Hedge Funds	**26**	28	26
Total Aston Hill managed funds	**$ 2,025**	$ 2,280	$ 2,600
Sub-advised funds			
Open end funds	**93**	97	$ 3,023
Closed end funds	**76**	97	144
Total sub-advised funds	**$ 169**	$ 194	$ 3,167
Other assets	**250**	330	438
Brokerage	**351**	375	335
Total Average Assets under Management, Advisory, Brokerage and Other	**$ 2,795**	$ 3,179	$ 6,540

For the quarter ended December 31, 2015 compared to the quarter ended September 30, 2015:

- AUM for Aston Hill managed funds decreased by $106.0 million from the prior quarter. Open end funds had gross sales of $70.0 million in the fourth quarter of 2015. This positive growth was netted against redemptions of $145.0 million in open end mutual funds. Closed end mutual fund AUM decreased by $140.0 million due to redemptions of $181.0 million offset by market performance. Hedge fund AUM decreased by $2.0 million compared to the prior quarter due to redemptions.
- Sub-advised funds decreased from the prior quarter by $19.0 million.
- The net decrease in the AUM of other assets was $74.0 million from the prior quarter, mainly due to the loss of a single institutional pooled pension account.
- Brokerage AUM decreased by $14.0 million in the quarter, with $4.0 million of the decrease due to redemptions and the remaining decrease as a result of market performance.

For the year ended December 31, 2015 compared to the year ended December 31, 2014.

- Total gross sales for managed open end funds for the year were $363.0 million, which netted with total redemptions of $553.0 million for net redemptions of $190.0 million. Closed end fund AUM decreased by $422.0 million as a result of $357.0 million of redemptions and market performance. Hedge funds AUM decreased by $3.0 million, to $25.0 million.
- Sub-advised funds decreased from the same period in the prior year by $2.8 billion mainly as a result of the non-renewal of the sub-advisory relationship with IA Clarington in the first quarter of 2015 and the end of the sub-advisory relationship with CIBC in the third quarter of 2015.
- The net decrease in the AUM of other assets was $164.0 million due to several expiring mandates.
- The recruitment of two investment advisors during the first quarter of 2015 brought $77.0 million in assets to AHS. This was however offset by decreases in assets held by the brokerage business throughout the year, for a net increase of $6.0 million in brokerage AUM compared to the prior year.

AUM Reconciliation

The Company has provided an AUM reconciliation of total Aston Hill managed funds. The beginning of period balance refers to December 31, 2014. Complete information for sub-advised funds were not readily available for reconciliation purposes:

Aston Hill Managed Funds AUM Reconciliation	Open end funds		Closed end funds		Hedge funds	
(in millions of Canadian dollars)	December 31, 2015		December 31, 2015		December 31, 2015	
Assets Under Management - Beginning of Period	$	1,061	$	1,453	$	28
Subscriptions		363		-		17
Redemptions		(553)		(357)		(20)
Investment performance		-		(65)		-
Assets Under Management - End of Period	$	870	$	1,031	$	25

Other Assets	Other Assets	
(in millions of Canadian dollars)	December 31, 2015	
Assets Under Management - Beginning of Period	$	407
Subscriptions		21
Redemptions		(80)
Argent administrative services contract termination		(50)
Investment performance		(55)
Assets Under Management - End of Period	$	243

Brokerage	Brokerage	
(in millions of Canadian dollars)	December 31, 2015	
Assets Under Management - Beginning of Period	$	331
Client assets transferred in		85
Client assets transferred out		(45)
Investment performance		(34)
Assets Under Management - End of Period	$	337

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

Financial Portfolio Management:

Closed end funds:

Aston Hill Advantage Bond Fund
Aston Hill Advantage Oil & Gas Income Fund
Aston Hill Advantage VIP Income Fund
Aston Hill VIP Income Fund
Australian Banc Capital Securities Trust[i]
Australian Banc Income Fund
Canadian 50 Advantaged Preferred Share Fund
Canadian Banc Capital Securities Trust[i]
Euro Banc Capital Securities Trust[i]
Hbanc Capital Securities Trust[i]
Low Volatility Canadian Equities Income Fund
Macquarie Emerging Markets Infrastructure Income Fund
Macquarie Global Infrastructure Income Fund
North American Financials Capital Securities Trust
U.S. Agency Mortgage Backed REIT Advantaged Fund
Voya Diversified Floating Rate Senior Loan Fund
Voya Floating Rate Senior Loan Fund
Voya Global Income Solutions Fund
Voya High Income Floating Rate Fund

[i] Effective January 29, 2016, these funds were terminated and merged into the North American Financials Capital Securties Trust and subsequently renamed Global Capital Securities Trust.

Mutual funds:

Aston Hill Canadian Total Return Fund & Class
Aston Hill Energy Growth Class
Aston Hill Global Growth & Income Fund & Class
Aston Hill Global Resource & Infrastructure Fund & Class
Aston Hill Global Resource Fund
Aston Hill Growth & Income Fund & Class
Aston Hill High Income Fund & Class
Aston Hill Milennium Fund
Aston Hill Strategic Yield Fund & Class
Aston Hill Total Return Fund & Class
Aston Hill US Conservative Growth Fund & Class
Aston Hill Voya Floating Rate Income Fund

Hedge funds:

Aston Hill Opportunities Fund
AHF Credit Opportunities Fund

Financial Portfolio Advisory:

Closed end funds:

Star Yield Trust
First Asset Preferred Investment Fund
Coxe Global Agribusiness Income Fund
US Housing Recovery Fund

Mutual funds:

Lonsdale Balanced Tactical Fund
Newport Yield Fund

Flow Through Limited Partnerships:

Aston Hill Energy 2014 FT Limited Partnership

Financial Highlights

(in thousands, except assets under management and per share amounts)	As at December 31 2015	As at September 30, 2015	As at December 31 2014	% change quarter-over-quarter	% change year-over-year
Assets under management (in billions)	**$ 2.67**	$ 3.03	$ 6.25	-6%	-51%
Total assets	**72,110**	93,996	97,884	-22%	-26%
Shares outstanding	**98,849**	96,474	88,988	3%	11%

For the three months ended	December 31 2015	September 30, 2015	December 31 2014	% change quarter-over-quarter	% change year-over-year
Total revenues	**$ 7,579**	$ 8,508	$ 11,740	-8%	-33%
Total expenses excluding finance (gain) expense	**25,080**	7,355	9,297	191%	152%
Total finance (gain) expense	**(2,382)**	1,116	1,098	-319%	-323%
(Loss) income before income taxes	**$ (15,119)**	$ 37	$ 1,345	-1127%	-1687%
Income tax (recovery) expense	**$ (2,860)**	$ 87	$ 433	-681%	-527%
Net (loss) income	**$ (12,259)**	$ (50)	$ 912	-1339%	-3752%
Net income to non-controlling interest	**222**	195	338	8%	-44%
Net (loss) income to controlling interest	**$ (12,481)**	$ (245)	$ 574	-2132%	-15359%
Per share - Basic	**$ (0.125)**	$ (0.003)	$ 0.006	-1891%	-13102%
Per share - Diluted	**$ (0.125)**	$ (0.003)	$ 0.006	-1906%	-13097%
Cash dividends declared per share	**$ 0.005**	$ 0.005	$ 0.015	0%	-67%
EBITDA	**$ (16,439)**	$ 2,034	$ 3,202	-577%	-702%
Weighted average shares outstanding	**100,175**	91,703	89,248	9%	12%

For the year ended	December 31 2015	December 31 2014	% change year-over-year
Total revenues	**$ 36,594**	$ 47,420	-23%
Total expenses excluding finance expense	**53,724**	38,719	39%
Total finance expense	**852**	4,273	-80%
(Loss) Income before income taxes	**$ (17,982)**	$ 4,428	-506%
Income tax (recovery) expense*	**$ (3,788)**	$ 1,878	-302%
Net (loss) income*	**$ (14,194)**	$ 2,550	-657%
Net income to non-controlling interest	**782**	1,070	-27%
Net (loss) income to controlling interest*	**$ (14,976)**	$ 1,480	-1112%
Per share - Basic*	**$ (0.162)**	$ 0.017	-1078%
Per share - Diluted*	**$ (0.162)**	$ 0.017	-1074%
Cash dividends declared per share	**$ 0.030**	$ 0.060	-50%
EBITDA	**$ (14,269)**	$ 11,565	-223%
Weighted average shares outstanding	**92,667**	89,525	4%

Financial Highlights (continued)

(in thousands of Canadian dollars, except per share amounts)	Three months ended			Year ended	
	December 31, 2015	September 30, 2015	December 30, 2014	**December 31, 2015**	December 30, 2014
Net (loss) income before and after income taxes, Net (loss) income to controlling interest					
Total revenues	**$ 7,579**	$ 8,508	$ 11,740	**$ 36,594**	$ 47,420
Total expenses excluding finance (gain) expense	**$ 25,080**	$ 7,355	$ 9,297	**$ 53,724**	$ 38,719
Total finance (gain) expense	**(2,382)**	1,116	1,098	**852**	4,273
(Loss) income before income taxes	**$ (15,119)**	$ 37	$ 1,345	**$ (17,982)**	$ 4,428
Income tax (recovery) expense	**$ (2,860)**	$ 87	$ 433	**$ (3,788)**	$ 1,878
Net (loss) income after income taxes	**$ (12,259)**	$ (50)	$ 912	**$ (14,194)**	$ 2,550
Net income to non-controlling interest	**222**	195	338	**782**	1,070
Net (loss) income to controlling interest	**$ (12,481)**	$ (245)	$ 574	**$ (14,976)**	$ 1,480
EBITDA, Adjusted EBITDA, Pre-tax operating earnings, and EBITDA Margin (non-GAAP measures)					
Net (loss) income to controlling interest	**(12,481)**	(245)	574	**(14,976)**	1,480
Add: Finance (gain) expense	**(2,382)**	1,116	1,098	**852**	4,273
Add: Income tax (recovery) expense	**(2,860)**	87	433	**(3,788)**	1,878
Add: Amortization of intangible assets - finite	**251**	250	299	**1,001**	1,196
Add: Amortization of deferred sales commissions	**954**	560	355	**2,348**	1,247
Add: Depreciation of property and equipment	**79**	71	105	**294**	421
EBITDA	**$ (16,439)**	$ 1,839	$ 2,864	**$ (14,269)**	$ 10,495
Add: Impairment loss	**15,873**	-	-	**15,873**	-
Add: Restructuring costs	**674**	-	-	**4,292**	-
Add: Net (gains) losses on investments	**(692)**	(863)	24	**(3,078)**	628
Add: Share based compensation	**232**	280	222	**784**	1,105
Adjusted EBITDA	**$ (352)**	$ 1,256	$ 3,110	**$ 3,602**	$ 12,228
Less: Performance fees	**-**	-	(71)	**(309)**	(247)
Less: Finance gain (expense)	**2,382**	(1,116)	(1,098)	**(852)**	(4,273)
Add: Net (gain) on partial redemption and extinguishment of convertible debentures	**(3,870)**	-	-	**(3,870)**	
Less: Restructuring costs	**(674)**	-	-	**(4,292)**	-
Pre-tax operating (loss) earnings	**$ (2,514)**	$ 140	$ 1,941	**$ (5,721)**	$ 7,708
Per share results					
Net (loss) income per share - basic	**$ (0.125)**	$ (0.003)	$ 0.006	**$ (0.162)**	$ 0.017
Net (loss) income per share - diluted	**$ (0.125)**	$ (0.003)	$ 0.006	**$ (0.162)**	$ 0.017
EBITDA per diluted share	**$ (0.166)**	$ 0.020	$ 0.032	**$ (0.154)**	$ 0.116
Adjusted EBITDA per diluted share	**$ (0.004)**	$ 0.014	$ 0.035	**$ 0.039**	$ 0.135
Pre-tax operating (loss) earnings per diluted share	**$ (0.025)**	$ 0.002	$ 0.022	**$ (0.062)**	$ 0.085
EBITDA Margin and Adjusted EBITDA Margin					
EBITDA Margin (as a % of revenue)	**-217%**	22%	24%	**-39%**	22%
Adjusted EBITDA Margin (as a % of revenue)	**-5%**	15%	26%	**10%**	26%

For the three month period ended December 31, 2015 compared to the prior quarter:

- Total revenue decreased by $0.9 million compared to the prior quarter, mainly arising from lower management fees from open end and closed end funds as a result of the decrease in AUM.
- Total expenses excluding finance expense increased by $17.7 million compared to the prior quarter. The annual impairment test performed by the Company resulted in an impairment loss of $15.5 million being recognized in respect of the Company's asset management cash generating unit ("CGU"). Of this amount, $3.9 million was allocated to fully impair goodwill, and the remaining $11.6 million was recorded as an impairment of the Company's indefinite life intangible assets. The Company's brokerage unit was classified as held for sale in the fourth quarter of the year and, as a result, the assets and liabilities of the disposal group were written down to the lower of their carrying value or fair value less costs of disposal, resulting in an impairment of $0.4 million being recorded against the units intangible assets. Based on the current market for commercial real estate in Calgary and given current economic conditions, the Company recorded an additional $0.7 million in restructuring costs due to a revised estimate of the onerous lease provision as of December 31, 2015.
- If the impairment loss, restructuring costs, and finance costs are excluded from total expenses, there was an increase of $1.1 million. Salaries and wages expense increased by $0.7 million, with $0.6 million attributable to the additional bonus provision recorded in the fourth quarter of 2015. The change in the useful life estimate from 48 months to 36 months, and higher redemptions of low-load series units contributed to a $0.4 million increase in amortization of deferred sales commissions compared to the prior year.
- EBITDA decreased by $18.3 million from the prior quarter. The decrease can mostly be attributed to the recognized impairment loss of $15.9 million, and restructuring costs of $0.7 million recorded in the fourth quarter. In addition, the $0.9 million decrease in revenue and increase in salaries and wages expense of $0.7 million contributed to the overall decrease.
- EBITDA as a percentage of total revenues (EBITDA margin) for the quarter was -217%, compared to 22% from the prior quarter and 24% from the same quarter last year. The decrease in the EBITDA margin year-over-year was mainly due by the impairment loss and decrease in revenues, combined with restructuring costs recognized in the quarter.
- Adjusted EBITDA decreased by $1.6 million, from $1.2 million in the prior quarter, to an EBITDA loss of $0.4 million. The decrease can mainly be attributed to the $0.9 million decrease in revenue and the $0.7 million increase in salaries and wages expense.
- Pre-tax operating earnings decreased by $2.6 million compared to the previous quarter. In addition to the total of the decrease in revenue, increase in salary and wages expense, and restructuring costs, of $2.3 million as described above, pre-tax operating earnings is affected by finance expense, net of the gain recognized on the partial redemption and extinguishment of the original convertible debentures. Interest expense increased by $0.3 million compared to the previous quarter, as a result of an additional interest accrual on derecognition of the original debentures, and a higher effective interest rate associated with the amended debentures.

For the three month period ended December 31, 2015 and the same period in the prior year.

- Total revenue decreased by $4.1 million, with $2.1 million of the decrease as a result of the end of sub-advisory relationships with IA Clarington and CIBC. Decreases in management fees from open end and closed end managed funds of $1.6 million were driven mainly by net redemptions in the second half of the year. A further decrease of $0.4 million is attributable to decreases across several revenue streams including sub-advisory, pension management, consulting fees and performance fees.
- Total expenses excluding finance expense increased by $15.8 million compared to the same period in the prior year, mainly attributable to the combined impairment loss of $15.9 and the additional restructuring charge of $0.7 million relating to the onerous lease provision that were both recognized in the fourth quarter of 2015.
- If the impairment loss, restructuring costs, and finance costs are excluded from total expenses, there was a net decrease in expenses of $0.8 million from the same period in the prior year. The largest movements contributing to the decrease were a $0.7 million increase in net gains on investments, a decrease in general and administrative expenses of $0.4 million, a $0.4 million reduction in trailer fees paid. In addition, sub-advisory expenses were $0.2 million lower than the same period in the prior year. These reductions were partially offset by a $0.6 million increase in the amortization of deferred sales commissions and a $0.4 million increase in fund expense absorption.
- EBITDA decreased by $19.3 million from the same period in the prior year. This movement can mostly be attributed to the $15.9 million impairment loss recognized in the fourth quarter of 2015 and the decrease in revenue of $4.1 million.
- Adjusted EBITDA decreased by $3.5 million compared to the same quarter in the previous year. The decrease can mainly be attributed to the $4.1 million decrease in revenue, offset by an increase of $0.7 million in net gains on investments.
- Pre-tax operating earnings decreased by $4.4 million, from $1.9 million in the same period in the prior year, to a pre-tax operating loss of $2.5 million. This was mainly due to the decrease in revenue compared to the same period in the prior year, as increases and decreases in the items of expenditure affecting pre-tax operating earnings largely offset each other. In addition to the movements in expenses described above, pre-tax operating earnings is also affected by the finance expense, which, excluding the gain recognized on the partial redemption and derecognition of convertible debentures, increased by $0.4 million compared to the fourth quarter of the prior year. This was due to an additional interest accrual on derecognition of the original debentures, and a higher effective interest rate associated with the amended debentures.
- In addition to the impact of the decrease in revenue; increases in net gains on investment, product development costs and restructuring costs; and decreases in trailer fees, sub-advisory expenses, and general and administrative expenses, of $2.8 million as described above, pre-tax operating earnings is affected by finance expense, net of the gain recognized on the partial redemption and extinguishment of the original convertible debentures. Interest expense increased by $0.3 million compared to the previous quarter, as a result of an additional interest accrual on derecognition of the original debentures, and a higher effective interest rate associated with the amended debentures.

For the year ended December 31, 2015 compared to the year ended December 31, 2014.

- Revenue decreased by $10.8 million compared to the prior year. Of this decrease, $6.9 million can be attributed to the conclusion of the sub-advisory relationship between Aston Hill and IA Clarington on February 13, 2015. Management fees from managed open and closed end funds decreased by $2.2 million in total. In addition, an administrative services contract ended in mid-August 2015 which contributed $0.8 million of the decrease.
- Total expenses excluding finance expense increased by $15.0 million compared to 2014, mainly attributable to the impairment loss of $15.9 million as described previously. Restructuring costs of $3.6 million and $0.7 million were recognized in the second and fourth quarter of 2015, respectively. The restructuring costs include an onerous contract for the Calgary office space under lease, termination and related post-employment benefits, and legal and other costs.
- If the impairment loss, restructuring costs, and finance costs are excluded from total expenses, there was a net decrease of $5.2 million compared to the prior year. A number of offsetting factors made up the net decrease, with the largest movements as follows. Salary and wages expense decreased by $1.9 million, due mainly to a lower bonus provision, and also as benefits of the restructuring began to be realized in the second half of the year. The change in the useful life estimate from 48 months to 36 months, and higher redemptions of low-load series units contributed to the $1.1 million increase in amortization of deferred sales commissions compared to the prior year. Net gains on investments were $3.1 million, compared to a loss of $0.6 million in the prior year. Of the change of $3.7 million, $2.5 million relates to the forward purchase contract liability which is directly affected by the Company's share price. The remaining increase can be attributed to a $0.5 million increase in interest income and an increase of $0.7 million in the fair value of marketable securities. Sub-advisory expense decreased by $0.9 million. The overall decrease was partially offset by an increase in general and administrative expenses of $1.0 million
- The $1.0 million increase in general and administrative costs included the effect of an insurance recovery of $0.5 million in the prior year. In addition, office expenses increased by $0.6 million, of which $0.2 million was due to an increase in Bloomberg license costs. Shareholder, legal and accounting expenses were $0.6 million higher than the previous year primarily due to fund reorganization costs. These increases in expenditure were partially offset by a decrease of $0.6 million in marketing expenses.
- EBITDA decreased by $24.8 million compared to the prior year. The decrease can mostly be attributed to the impairment loss in the current year of $15.9 million and the decrease in revenue of $10.8 million. In addition $4.3 million in restructuring costs was recognized in the current year. These factors contributing to lower EBITDA were partially offset by a $3.7 million increase in net gains on investments, and a $1.9 million decrease in salary and wages expense.
- EBITDA as a percentage of total revenues (EBITDA margin) for the year was -39%, compared to 22% in the previous year. The decrease in the EBITDA margin year-over-year was mainly due to the impairment loss, decrease in revenues, and restructuring costs recognized, more than offsetting the net decrease in operating expenses.
- Adjusted EBITDA decreased by $8.7 million from 2014 adjusted EBITDA of $12.2 million. Compared to the $24.8 million decrease in EBITDA, Adjusted EBITDA was not affected by the combined impairment loss of $15.9 million, restructuring costs of $4.3 million and the increase in net gains on investments of $3.7 million.

- Pre-tax operating earnings decreased by $13.4 million, from prior year pre-tax operating earnings of $7.7 million to a $5.7 million loss. This can mainly be attributed to the $10.9 million decrease in revenue excluding performance fees. In addition, the increase in general and administrative costs of $1.0 million, and the restructuring costs of $4.3 million expensed during the year contributed to the overall decrease. These increases to expenses were partially offset by a $1.9 million decrease in salary and wages expense, and a $0.9 million reduction in sub-advisory expense. Finance expense, adjusted to exclude the gain recognized on the partial redemption and extinguishment of the original convertible debentures, increased by $0.4 million compared to the prior year. This was mainly the result of an additional interest accrual on derecognition of the original debentures, and a higher effective interest rate associated with the amended debentures.
- Net loss to controlling interest was $15.0 million (-$0.162 per share) for the year ended December 31, 2015 compared to the net income to controlling interest of $1.5 million ($0.017 per share) for the prior year.

Summary of Quarterly Results

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

Three months ended,	**Dec 31, 2015**	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014
Revenues	**$ 7,579**	$ 8,508	$ 9,820	$ 10,687	$ 11,740	$ 12,423	$ 12,181	$ 11,076
Expenses								
Salaries and wages	**3,457**	2,776	3,073	3,768	3,294	4,800	3,350	3,509
General and administrative	**1,719**	1,805	2,564	2,902	2,150	1,552	2,101	2,209
Restructuring costs	**674**	-	3,618	-	-	-	-	-
Sub-advisory expense	**920**	1,045	1,047	1,018	1,126	1,257	1,285	1,253
Product development	**501**	155	215	(95)	131	199	143	135
Share based compensation	**232**	280	97	175	222	173	351	359
Depreciation of property & equipment	**79**	71	72	72	105	119	109	88
Amortization of intangible assets - finite	**251**	250	250	250	299	298	299	300
Amortization of deferred sales commissions	**954**	560	453	381	355	326	307	259
Amortization of deferred recruitment bonus					-	-	-	-
Trailer fees	**1,093**	1,258	1,444	1,465	1,533	1,499	1,360	1,102
Commissions	**19**	18	24	19	28	6	47	53
Net (gains) losses on investments	**(692)**	(863)	(1,243)	(280)	54	141	141	292
Finance (gain) expense	**(2,382)**	1,116	1,092	1,026	1,098	1,077	834	1,264
Impairment loss	**15,873**	-	-	-	-	-	-	-
Total expenses	**$ 22,698**	$ 8,471	$ 12,706	$ 10,701	$ 10,395	$ 11,447	$ 10,327	$ 10,823
Income (loss) before income taxes	**(15,119)**	37	(2,886)	(14)	1,345	976	1,854	253
Income taxes	**(2,860)**	87	(975)	(40)	433	625	560	260
Net (loss) income for the period	**$ (12,259)**	$ (50)	$ (1,911)	$ 26	$ 912	$ 351	$ 1,294	$ (7)
Net income (loss) to non-controlling interest	**222**	195	164	201	338	266	267	199
Net (loss) income to controlling interest	**$ (12,481)**	$ (245)	$ (2,075)	$ (175)	$ 574	$ 85	$ 1,027	$ (206)
Net (loss) income - per share - basic	**$ (0.125)**	$ (0.003)	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011	$ (0.002)
Net (loss) income - per share - diluted	**$ (0.125)**	$ (0.003)	$ (0.023)	$ (0.002)	$ 0.006	$ 0.001	$ 0.011	$ (0.002)

Revenue

	Quarter ended			Year ended	
	December 31,	**September 30,**	December 31,		**December 31,**
(in thousands of Canadian dollars)	**2015**	**2015**	2014	**2015**	2014
Revenue					
Management fees					
Open end funds	**$ 3,436**	$ 3,864	$ 4,102	**$ 15,931**	$ 14,642
Closed end funds	**2,707**	3,101	3,651	**12,571**	16,197
Hedge Funds	**67**	85	77	**349**	228
Total management fees	**$ 6,210**	$ 7,050	$ 7,830	**$ 28,851**	$ 31,067
Sub-advisory fees					
Open end funds	**$ 71**	$ 254	$ 2,139	**$ 1,936**	$ 9,328
Closed end funds	**76**	107	154	**431**	835
Total sub-advisory fees	**$ 147**	$ 361	$ 2,293	**$ 2,367**	$ 10,163
Other revenue and income	**456**	627	884	**2,735**	3,897
Brokerage	**766**	470	733	**2,641**	2,293
Total revenue	**$ 7,579**	$ 8,508	$ 11,710	**$ 36,594**	$ 47,420

	Quarter ended			Year ended	
	December 31	September 30,	December 31,		**December 31,**
	2015	2015	2014	**2015**	2014
Fees as a percentage of total revenue					
Management fees					
Open end funds	**45%**	45%	35%	**44%**	31%
Closed end funds	**36%**	36%	31%	**34%**	34%
Hedge Funds	**1%**	1%	1%	**1%**	0%
Total management fees	**82%**	82%	67%	**79%**	65%
Sub-advisory fees					
Open end funds	**1%**	3%	18%	**5%**	20%
Closed end funds	**1%**	1%	1%	**1%**	2%
Total sub-advisory fees	**2%**	4%	19%	**6%**	22%
Other revenue and income	**6%**	8%	8%	**8%**	8%
Brokerage	**10%**	6%	6%	**7%**	5%
Percentage of total revenue	**100%**	100%	100%	**100%**	100%

	December 31, 2015	September 30, 2015	December 31, 2014
Fees as a percentage of average AUM			
Management fees			
Open end funds	**1.50%**	1.54%	1.53%
Closed end funds	**1.00%**	0.99%	0.97%
Hedge Funds	**1.03%**	1.21%	1.18%
Sub-advisory fees			
Open end funds	**0.31%**	1.05%	0.28%
Closed end funds	**0.40%**	0.44%	0.43%
Other revenue*	**0.44%**	0.50%	0.78%
Brokerage fees**	**0.87%**	0.50%	0.88%
Total revenue as a percentage of total average AUM	**1.10%**	1.12%	0.71%

* Other revenue and total revenue percentages do not include effect of low load redemption fees classified as other income.

** Brokerage fees are not directly driven by average AUM.

For the quarter ended December 31, 2015 compared to the prior quarter:

Total management fees are driven by the average AUM in the quarter as well as the management fee rate. Total management fees decreased by $0.8 million, or 12%, for the quarter. The fees as a percentage of average AUM remained relatively consistent for management fees quarter over quarter.

Total sub-advisory fees in the quarter decreased by $0.2 million. The sub-advisory contract with CIBC ended in June, however management fees from the arrangement continued to be received through to mid-August, resulting in the $0.1 million decrease in revenue, and explaining the higher percentage of sub-advisory fees in relation to average AUM in the previous quarter. Closed end sub-advisory fees remained consistent from the prior quarter.

Other revenue decreased by $0.2 million, mostly due to the termination of an administrative services contract in mid-August. Other revenue as a percentage of average AUM remained relatively consistent compared to the prior quarter.

Brokerage fees increased by $0.3 million compared to the prior quarter due to higher activity in the quarter.

For the quarter ended December 31, 2015 compared to the same period in the prior year:

Management fee revenue as a percentage of average AUM remained relatively consistent. Total management fees decreased by $1.6 million, or 21%. Open end fund management fees were $0.7 million lower compared to the prior year, in line with the 18% decrease in open end fund AUM. The decrease in the closed end fund management fees was a result of the lower AUM due to redemptions that occurred during 2015. Total management fee revenue as a percentage of average AUM remained relatively consistent.

Sub-advisory fees as a percentage of average AUM were relatively consistent with the same quarter in the prior year. Total sub-advisory fees in the quarter decreased by $2.1 million, mainly as a result of the non-renewal of the IA Clarington sub-advisory relationship on February 13, 2015 and the end of the sub-advisory relationship with CIBC in the third quarter of 2015.

Other revenue decreased by $0.4 million. Consulting fees decreased by $0.1 million due to the non-renewal of the IA Clarington sub-advisory relationship. The remaining decrease is attributable to lower performance fee revenue in the quarter, and the termination of an administrative services contract.

Brokerage revenue remained consistent in the current quarter compared to the same period in the prior year.

Liquidity and Capital Resources

Financial Position at (stated in thousands of Canadian dollars)	December 31, 2015	December 31, 2014
Working capital	**6,248**	12,031
Total assets	**72,110**	97,884
Long term debt (convertible debentures)	**26,103**	38,087

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 type 2 introducing broker registered with the Investment Industry Regulatory Organization of Canada ("IIROC"). AHAM, AHCM and AHFCP are each currently required to maintain minimum working capital of $100,000, plus $100,000 deductible under their respective bonding insurance policies. AHS is required to maintain a level of Risk-Adjusted Capital greater than $nil in accordance with such requirements as IIROC may from time to time prescribe. In the event of non-compliance, these subsidiaries are required to file additional financial information and to review their policies and procedures for compliance with securities law and to file a compliance report.

At December 31, 2015, the Company and its subsidiaries were in compliance with all externally imposed capital requirements.

Year to date additions to property and equipment amounted to $0.2 million (December 31, 2014 - $0.3 million). Aston Hill's policies and procedures related to the management of capital are described in the audited Consolidated Financial Statements for the year ended December 31, 2015, in note 5.d).

For the year ended December 31, 2015, the Company paid $2.6 million of cash dividends compared to $5.4 million in the prior year. Subsequent to December 31, 2015, the Company has suspended its dividend, which creates an additional $2.0 million of liquidity per year and is consistent with the Company's conservative approach to capital and risk management. The Board will continue to evaluate its dividend policy.

On October 3, 2015, the Company completed a non-brokered private placement consisting of the issue of 13,302,222 units, with each unit including one common share and one quarter share purchase warrant, at a purchase price of $0.45 per unit, for total gross proceeds of $6.0 million.

Financing costs paid on convertible debentures remained relatively consistent year over year at $2.6 million and $2.5 million, respectively, as the partial redemption and change in coupon rate (described below) took effect after the second semi-annual interest payment in 2015.

On October 29, 2015, holders of the 6.00% extendible convertible unsecured debentures maturing July 31, 2016 ("the original debentures") approved several amendments. The effective date of the amendments was November 16, 2015. The amendments extended the maturity date of the convertible debentures from July 31, 2016 to January 31, 2019; reduced the conversion price from $2.55 per share to $0.65 per share; increased the interest rate payable from 6.00% to 6.50% per annum, and other than with respect to the partial redemption described below, restrict the company from exercising its right to redeem any convertible debentures until July 31, 2017.

In conjunction with the amendments, on November 16, 2015, the Company redeemed an aggregate principal amount of $6.0 million original debentures in cash on a pro rata basis. A loss on partial redemption of $0.1 million was recorded to finance expense in the statement of net and comprehensive income, being the difference between the consideration paid, and the pro-rata carrying amount of the liability component of the original convertible debentures.

The amendments to the convertible debentures resulted in them being accounted for as extinguishments for accounting purposes. Consequently, the original debentures were derecognized and the 6.50% extendible convertible unsecured debentures maturing January 31, 2019 (“the amended debentures”) were recognized at fair value, resulting in a pre-tax gain on extinguishment of $4.0 million net of transaction costs of $0.2 million which was recorded within finance expense in the statement of net and comprehensive income.

The total fair value of the liability and equity component of the amended debentures on initial recognition of $29.0 million was estimated using the observed trading price as these debentures are considered to be traded in an active market. The fair value was then allocated to the liability component in the amount of $25.8 million using discounted future cash flows at an estimated discount rate of 16.0% and the residual was allocated to the conversion feature in equity. The original debentures were trading at a yield of approximately 20% for the period prior to the effective date of the amendments used to assess the yield, and, in effect, were trading as a liability without an equity component due to the conversion price of $2.55 being significantly higher than the Aston Hill share price. Therefore, the Company considered that its own original debentures were the most comparable instrument to look to as an indication of the yield of a comparable liability without an equity component. This yield was used as the base and was adjusted downward to 16% to incorporate that the amended debentures have a longer time to maturity than the original debentures and therefore less risk of default, slightly offset by the higher coupon rate on the amended debentures.

The amended debenture bears interest at an annual rate of 6.50%, payable semi-annually, in arrears, on January 31st and July 31st of each year, and is convertible at the option of the holder into shares of Aston Hill at $0.65 per common share. The instrument matures on January 31, 2019. The ticker symbol for the amended debenture is AHF.DB.A.

Aston Hill paid deferred sales commissions of $0.8 million during the year ended December 31, 2015, compared to $2.2 million in the prior year. This is a result of sales on the Aston Hill open end funds under the low-load deferred sales charge option, which were lower in 2015 than in the prior year. This option was created in 2011 as a sales incentive on specified series of units or shares in certain funds.

Aston Hill has mitigated liquidity risk by renewing the revolving line of credit as of July 27, 2015, with further amendments on October 28, 2015. As at December 31, 2015, the Company has $4.0 million of the revolving line of credit available, with $nil drawn.

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

Commitments

(in thousands of Canadian dollars)								
As at December 31, 2015								
		Total	2016	2017	2018	2019	2020	Thereafter
Financial liabilities:								
Trade and other payables		$ 3,445	$ 3,445	$ -	$ -	$ -	$ -	$ -
Convertible debentures	-principal	33,785	-	-	-	33,785	-	-
	-interest	7,046	1,556	2,196	2,196	1,098	-	-
Operating leases		6,431	1,818	980	1,002	986	821	824
Forward purchase contract liability		1,368	1,187	-	181	-	-	-
		$ 52,075	**$ 8,006**	**$ 3,176**	**$ 3,379**	**$ 35,869**	**$ 821**	**$ 824**

Summary Balance Sheet Data

(in thousands of Canadian dollars)				
		December 31, 2015		December 31, 2014
Current assets	**$**	**14,492**	$	20,077
Non current assets		**57,553**		77,807
Total Assets	**$**	**72,110**	$	97,884
Current liabilities	**$**	**8,244**	$	8,035
Non current liabilities		**37,671**		53,724
Total Liabilities	**$**	**45,915**	$	61,759
Non-controlling interest		**317**		233
Shareholders' equity		**25,878**		35,892
Total Liabilities & Shareholders' Equity	**$**	**72,110**	$	97,884

The balance sheet for Aston Hill at December 31, 2015, reflects total assets of $72.1 million, a decrease of $25.8 million from December 31, 2014. An impairment loss recognized against goodwill and intangible assets contributed $15.9 million of the decrease. Cash and cash equivalents decreased by $7.5 million, with the decrease mainly attributable to the bonus provision as at December 31, 2014 being paid to employees in 2015, as well as the payment of interest expense and dividends in the year. The net increase in investments at fair value through profit or loss of $0.9 million was the result of purchases of $2.7 million net of sale proceeds of $1.5 million and the unrealized change in market value of marketable securities. In addition, trade and other receivables decreased by $2.4 million.

Total liabilities decreased by $15.8 million to $45.9 million, at December 31, 2015, from $61.8 million at December 31, 2014. The liability component of the convertible debentures decreased compared to the prior year, mainly as a result of the partial redemption, the extinguishment of the original debentures, and the recognition of the amended debentures at fair value. The partial recognition accounted for $5.9 million of the decrease. The difference between the carrying amount of the liability derecognized, of $33.3 million, and the fair value of the liability component of the amended debentures recognized, of $25.8 million, contributed another $7.5 million of the decrease in the carrying amount of convertible debentures. The net deferred tax liability decreased, mainly due to the deferred tax recovery arising from the impairment of intangible assets, partially offset by a deferred tax expense recorded in respect of the amended debentures and capital losses not recognized. The change in fair value for the forward purchase contract liability of $2.6 million also contributed to the decrease in total liabilities. This was netted against the increase in provisions resulting from the $4.3 million restructuring costs incurred in 2015, of which $2.9 million remains in the provision balance as at December 31, 2015.

The revolving line of credit was renewed for nine months on July 27, 2015. On October 28, 2015, the terms and financial covenants of the Revolving Facility were amended, and the borrowing limit was reduced from $6.0 million to $4.0 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, 2015, was 0.0 to 1.0. Aston Hill is within its financial covenants with respect to its credit facility, which requires that the total senior debt to earnings before interest, taxes, depreciation and amortization as calculated on the Aston Hill financial statements, remains below 1.2 to 1; and that Aston Hill’s assets under management for mutual funds not fall below $0.65 billion, and that assets under management for mutual funds plus assets under administration not fall below $2.25 billion.

Shareholders' equity decreased by $10.0 million during the year ended December 31, 2015. The net decrease is mainly attributable to the net loss of $14.8 million. Other changes contributing to the net decrease in shareholders' equity were cash and non-cash dividends paid of $2.8 million, and NCIB repurchases of $0.6 million. The partial redemption and derecognition of the original debentures had no net effect on shareholders' equity. Recognition of the equity component of the new convertible debentures, being the residual value ascribed to the conversion feature, between the fair value of the amended debentures instrument, and the liability component of the amended convertible debentures, resulted in a $2.4 million increase in shareholders' equity. Other increases in equity included the non-brokered private placement of $6.0 million and restricted shares vested of $0.7 million.

Controls and Procedures

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

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

Internal controls over financial reporting ("ICFR") have been designed using the Committee of Sponsoring Organizations ("COSO") 2013 framework in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. For the year ended, 2015, 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, 2015, 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, 2015.

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 2015 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, 2014. 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, 2015.

Related Party Transactions

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

a) The funds under management are considered to be related parties to the Company's subsidiaries who manage them. As such, the managers of the funds receive management fees and pay for expenses incurred by its various funds under management in accordance with the terms outlined in the applicable prospectus. These expenses are then charged back to the funds and are recovered under non-interest bearing, normal credit terms in accordance with the prospectus of the funds.

   Accounts receivable as at December 31, 2015 consist of $2,206,300 (December 31, 2014 - $3,592,000) in management fees, and other amounts due from funds under management. Accounts payable as at December 31, 2015 includes $879,000 (December 31, 2014 - $314,000) in amounts due to funds under management.

   For the year ended December 31, 2015, $29,254,000 (December 31, 2014 - $34,023,000) was recorded as revenue in respect of these management and other fees. In addition, for the year ended December 31, 2015, the Company absorbed $769,000 (December 31, 2014 - $608,000), respectively, of expenses incurred by funds under management.

b) As of May 21, 2014, Argent is no longer considered to be a related party as 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 in the prior year are considered to be related party transactions. The transactions discussed below relate to the period in which Argent was considered a related party.

i) For the year ended December 31, 2015, $nil of total administrative revenue (December 31, 2014: $700,000) was considered to be related party. For the year ended December 31, 2015, $nil (December 31, 2014 - $256,000) in salary and overhead recoveries for shared overhead costs that have been reimbursed by Argent was considered related party.

ii) On August 10, 2012, 210,000 restricted trust units receivable were granted with a par value of $10.00 per unit to the Company for services rendered under the Contract. 70,000 restricted trust units vest per year. On August 10, 2013, the Company was paid $784,000 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 date is disclosed in the year end balances. For the year ended December 31, 2015, $nil (December 31, 2014 - a gain of $24,000) was recorded as revenue.

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 AHF for any expenses paid on behalf of the subsidiary which were paid by the Company. As at December 31, 2015, $6,800 (December 31, 2014 - $18,000) 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, 2015, $142,000 (December 31, 2014 - $129,000) of trade and other payables related to the consulting fee payable to RJT. Total consulting fees incurred to date as of December 31, 2015 was $1,078,000 (December 31, 2014 - $1,118,000).

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

	December 31, 2015		December 31, 2014	
Wages and salaries(iii)	**$**	**2,713**	$	4,480
Benefits and other personnel costs		**292**		385
Share based compensation (ii)		**460**		383
Total remuneration	**$**	**3,465**	$	5,248

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 2014 of $0.9 million.

e) As at December 31, 2014, $2,800,000 (2014 - $1,901,000) of the financial assets at fair value through profit or loss are related to seed capital provided by the Company to provide capital to new funds that are managed by the Company. As these funds are managed by the Company's subsidiaries, they are considered to be related party. For the year ended December 31, 2015, a loss of $245,000 (2014 – gain of $109,000) 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 March 11, 2016, the Company entered into a sale agreement to sell its brokerage business. The transaction is expected to close on or about March 31, 2016.

Significant Accounting Policies & Estimates

The annual Consolidated Financial Statements for the year ended December 31, 2015, have been prepared in accordance with IFRS. For a discussion of all significant accounting policies, please refer to note 3 of the December 31, 2015, Notes to the Consolidated Financial Statements. A discussion on the determination of the fair values of the Company's investments is included in note 4 of the Notes to the Consolidated Financial Statements.

Management assesses operating and reportable segments on an annual basis. This assessment follows the principles of IFRS 8 and involves judgment on the type of internal reporting reviewed by management to make strategic operational decisions for the Company, whether discrete financial information is available and whether revenues and expenses that are incurred are allocated or aggregated. The Company had previously determined that there were two operating segments, being "asset management" and "brokerage". In December of 2015 management committed to a plan to sell the brokerage segment of the business and as a result, the assets of this unit are presented as held for sale as at December 31, 2015. The Company now operates only one business segment which is the activity related to asset management, which includes management, sub-advisory services and administration services for the Company's funds under management. Please refer to note 2(d) and note 6 in the December 31, 2015, 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, 2015, Consolidated Financial Statements for further details.

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, 2015, the Company has assessed that two Cash Generating Units exist within the organization, asset management CGU and brokerage CGU.

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 to 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 13 of the Consolidated Financial Statements.

The carrying amount exceeded the recoverable amount by $15.5 million, so the Company recognized an impairment loss on its intangible assets by first allocating an amount to goodwill. Since the amount of the loss exceeded the carrying amount of goodwill, all of the goodwill was written down as impaired. Goodwill will not be written back up in future periods should the recoverable amount increase in value. Next, the Company analyzed the remaining assets of the CGU to determine which assets should be allocated the remaining impairment loss to be allocated. It was determined that the recoverable amount of all other assets except the remaining asset management indefinite life intangible assets exceeded their carrying amounts. As such, the entire remaining impairment loss, after the impairment of goodwill in the amount of $3.9 million was allocated to the asset management CGU indefinite life intangible assets. The resulting impairment of the indefinite life intangible assets, other than goodwill, is $11.6 million and is recognized, together with the goodwill impairment, as impairment loss in the statement of net and comprehensive income.

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

The restructuring costs recognized in the second and fourth quarter are considered to be a significant new estimate due to the estimates used to calculate the provision for the onerous lease, termination and related post-employment benefits, and legal and other costs. The provision is subject to change at each reporting period. The Company has determined three classes of restructuring costs as of June 30 and December 31, 2015 which have varying factors subject to change. The onerous lease provision has been calculated using lease payments, net of estimated sublet recoveries, discounted over the remaining 7 year lease term. The net lease payments are based on external market evidence reflecting current sublease rates for long term contracts and will be assessed at each reporting period. These reflect the Company's best estimate, based on the current market for commercial real estate in Calgary, given the current economic conditions. The discount rate was 1.40% based on the Bank of Canada seven year bond yield. If the estimates used, such as the timing and length of the sublease, the sublease rate or the interest rate should change, the restructuring costs associated with the lease provision would be impacted. Based on the current market for commercial real estate in Calgary and current economic conditions, the Company recorded an additional $0.7 million in restructuring costs as of December 31, 2015, due to a revised estimate of the sublease rate and timing of sublease.

The termination and related post-employment benefits were communicated to the parties involved before June 30, 2015 and certain benefits have been discounted over a two year period consistent with the timing of those payments. The discount rate was 0.60% based on the Bank of Canada two year bond yield. Included in the termination and related post-employment benefits was the option to exercise stock options and restricted stock options that will vest by July 31, 2016. The Company has calculated the fair value of this termination and related post-employment benefit using the Black-Scholes option pricing model. The legal fees and other are an accrual of direct costs associated with the restructuring and are not subject to discounting.

In the third and fourth quarter of 2015, the Company completed a non-brokered private placement in multiple tranches, consisting of the issue of 3,933,000 and 4,480,000 units, respectively, at a purchase price of $0.45 per unit. Each unit consisted of one common share and one-quarter of a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $0.60 per common share with a term to expiry of twelve months. The company adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component of fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be more easily measurable component and the common shares are valued at their estimated fair value. The remaining balance is allocated to the attached warrants.

New standards and interpretations adopted January 1, 2015:

On January 1, 2015, the Company adopted the following new standards and amendments to standards, with no significant impact on the company's financial statements.

- *Annual Improvements to IFRSs 2010-2012 Cycle:* amendments to *IAS 24 Related Party Transactions, IAS 16 Property, Plant and Equipment,* and *IAS 38 Intangible Assets.*
- *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)*

New and amended standards issued but not yet effective:

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2015 and earlier application is permitted; however the Company has not early applied the following new or amended standards in preparing these financial statements.

- *IFRS 15 – Revenue from Contracts with Customers.* IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of IFRS 15.
- *IFRS 9 – Financial Instruments* – as issued by the IASB in July 2014. The final version of IFRS includes (i) a third measurement category for financial assets – fair value through other comprehensive income, and (ii) a single, forward-looking 'expected loss' impairment model. The final version of IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the potential impact on its consolidated financial statements from the application of the final version of IFRS 9. As described in note 3.b), in 2011 the Company early adopted Phase I and Phase II as issued by the IASB in November 2009.

The following new or amended standards are not expected to have a significant impact on the Company's financial statements:

- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).*
- *Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38).*
- *Equity Method in Separate Financial Statements (Amendments to IAS 27).*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10, IFRS 12, and IAS 28).*
- *Annual Improvements to IFRSs 2012-2014 Cycle – various standards.*
- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).*
- *Disclosure Initiative (Amendments to IAS 1).*

Financial Instruments

As of December 31, 2015, Aston Hill's financial instruments include cash and cash equivalents, investments at fair value through profit or loss, trade and other receivables, receivable from subsidiary classified as held for sale, disposal group assets held for sale, trade and other payables, provisions, forward purchase contract liability, disposal group liabilities classified as held for sale and convertible debentures. For fair value determinations, in addition to the estimation of fair value of financial instruments as described below, please refer to note 4 of the Consolidated Financial Statements.

As at December 31, 2015, 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.

In addition, the Company holds investments at fair value through profit or loss. The Company's investment in the Voya Global Income Solutions fund is classified as a level 1 investment as the quoted market price is used to obtain the fair value of the investment at each period end. The remaining marketable securities comprise investments in funds which have been classified as level 2 investments. As at December 31, 2015, the Company's investments at fair value through profit or loss totaled $3.0 million (December 31, 2014 - $2.0 million). During the year ended December 31, 2015, the Company recorded a net unrealized loss on its marketable securities of $0.3 million compared to the $1.0 million loss in the prior year.

The fair value of the amended convertible debentures at initial recognition was estimated using the observed trading price as these debentures are considered to be traded in an active market. The fair value of the liability portion of the amended debentures was determined using a discount rate of 16%, based on the effective yield on the extendible convertible unsecured debentures due July 31, 2016 immediately prior to the amendments, and adjusted downward to incorporate several factors as more fully described in note 19 to the Consolidated Financial Statements. The remainder of the fair value is recognized and included in shareholders' equity, net of income tax effects. The equity component of the debentures was calculated as the residual between the fair value of the instrument and the fair value of the debt.

The Company's comparative information includes the fair value of the Company's investment in Journey Energy Inc. (formerly Sword Energy Inc.) that was sold on June 19, 2014 and 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 of earnings; 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 18, 2016	Common Shares Underlying Convertible Securities
Common shares [1]	Unlimited		98,567,944	Not applicable
Stock options	Not applicable		7,676,331	7,676,331
Convertible debentures (face value) 6.50% maturing 2019	Not applicable	$	33,710,000	51,861,538

(1) The common shares are presented net of 2,793,302 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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