Aston Hill AVIP TRUST

Annual Report

December 31, 2014

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for **Aston Hill AVIP Trust** (the "Fund") contains financial highlights but does not contain the complete annual financial statements of the Fund. **The annual financial statements and accompanying notes are attached to this report.**

You can obtain a copy of the semi-annual financial statements at no cost by writing to Aston Hill Asset Management Inc. (the "Manager") to the following address: 77 King Street West, Suite 2110, Toronto, Ontario M5K 1G8, or calling 1-800-513-3868 or visiting the Manager's website at www.astonhill.ca or by visiting www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGIES

Aston Hill AVIP Trust is an investment trust that is managed by Aston Hill Asset Management Inc. (the "Manager").

The investment objective of the Fund is to capture the opportunity for capital appreciation. The Fund seeks to achieve its investment objective through active asset and sector allocation and by investing in those income-producing securities that the Manager believes represent the best weighting to achieve its investment objectives. AVIP Trust has exposure to a diversified portfolio of income producing securities including income trusts, dividend paying common shares, convertible debt, preferred shares and investment grade fixed income investments. Subject to its investment restrictions, AVIP Trust may invest in high-yield debt and special situations, such as foreign equities and non-dividend paying equities.

RISK

Risks associated with an investment in the units of the Fund are discussed in the Fund's 2014 annual information form, which is available on the Manager's website at www.astonhill.ca or on SEDAR at www.sedar.com. There were no changes to the Fund for the year ended December 31, 2014 that materially affected the risks associated with an investment in the units of the Fund.

RECENT DEVELOPMENTS

International Financial Reporting Standards (IFRS)

The Fund adopted IFRS as published by the International Accounting Standards Board (IASB) as of January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2013 and throughout all periods presented in its annual financial statements, as if these policies had always been in effect. Note 18 to the annual financial statements dated December 31 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

RESULTS OF OPERATIONS

Caution regarding forward-looking statements

The analysis in the document includes forward-looking statements. The use of any of the words anticipate, may, will, expect, estimate, should, believe and similar expressions are intended to identify forward-looking statements. Such statements reflect the opinion of the Portfolio Manager regarding factors that might be reasonably expected to affect the performance and the distributions on units of the Fund and are based on information available at the time of writing. The Portfolio Manager believes that the expectations reflected in these forward-looking statements and in the analysis are reasonable but no assurance can be given that these expectations or the analysis will prove to be correct and accordingly, they should not be unduly relied on. These statements speak only as of the date of this report. Actual events and outcomes may differ materially from those described in these forward-looking statements or analysis.

Portfolio Manager Commentary (February, 2015)

2014 – The Year in Review

The Aston Hill AVIP Trust was challenged by the market dynamics in both the equity & fixed income markets during 2014. A summary of the Fund during the year includes:

- Maintained the maximum allowable exposure in high-yield bonds of 30%.
- Maintained the maximum allowable in foreign investments of 10% as we expected continued economic recovery in US.
- Overweight certain industry groups, such as consumer, financials & industrials.
- Over-weighted certain industry groups, such as financials and industrials, and also towards the end of the year - consumer discretionary
- Continued focus on dividend-paying equities which show a propensity to grow their dividends.
- Performance of the fund was overshadowed by the fund's energy exposure as oil prices declined significantly beginning in the fall and an unexpected decline in US bond yields which negatively impacted our US high yield bonds.
- The Fund has 10.01% leverage as of year-end.

2015 – Outlook and Portfolio Positioning

The fund will continue to hold the maximum allowable exposure to the US as we believe the US economy currently has the clearest path to growth. We expect US growth will pick up pace in 2015, as economic indicators such as consumer confidence, job growth, nascent wage growth, financial obligations & delinquencies all are improving. The fund will be overweight in sectors with the most leverage to the US economic recovery, including financials, consumer discretionary, and technology. Given that the US equity market is not 'cheap', the focus remains on total return stories (i.e. dividend growers, share buybacks). Back here in Canada, where the majority of the fund's equity exposure is allocated, we are concerned with the economic outlook given depressed oil prices and the ripple effect it will have on the economy coupled with elevated household debt. While the weaker C$ benefits the manufacturing sector, it will not be enough to offset the broader impact of lower oil prices. We expect the Bank of Canada to announce another rate cut and as a result we maintain overweight positions in REITs and to a lesser extent, in power and pipeline companies. In addition, we favour companies that have an outsized exposure to the US revenues as they benefit not only from the recovering US economy but also from an appreciating USD versus CAD.

Our asset allocation and security selection process remains consistent, but a part of our strategy is to be dynamic in our approach. We expect volatility to increase in 2015. To add additional protection to the portfolio going forward, we will be even more diligent in our hedging process. In terms of currency, we maintain that the Fund should not be taking any significant currency risk. Instead, the Fund is taking an active approach to currency hedging and will be at least 80% currency hedged at all times. Furthermore, on the credit side, while we are sticking with our belief that high yield will do well in 2015 compared to investment grade bonds, we have introduced some higher credit rating bonds into the portfolio in order to diversify our high yield exposure.

Net Assets

The Net Asset Value per unit of the Fund was $10.63 per unit as at December 31, 2014 ($10.62 at December 31, 2013). The aggregate Net Asset Value of the Fund was $108.9 million as at December 31, 2014 ($123.0 million at December 31, 2013).

Leverage

The Fund has a 364-day revolving credit facility that provides for maximum borrowings of $35.0 million, with borrowings in Canadian currency at either the prime rate of interest or the bankers' acceptance rate, plus a fixed percentage, or in US currency at either the US base rate or the LIBOR, plus a fixed percentage. The facility has been used to invest in additional portfolio investments and for working capital purposes. As at December 31, 2014, there were $10.0 million borrowings outstanding under this facility ($Nil at December 31, 2013).

Distributions

For the year ended December 31, 2014, the Fund has paid distributions $0.776 per unit ($1.637 - 2013). Since inception in February 2006, the Fund has paid total cash distribution of $11.39 per unit.

Recommendations or Reports by the Independent Review Committee

The Independent Review Committee of the Fund tabled no special reports and made no extraordinary material recommendations to management of the Fund during the year ended December 31, 2014.

Related Party Transactions

Management Fees

Aston Hill Asset Management Inc. is the Manager and Trustee of the Fund. Pursuant to the management agreement between the Fund and the Manager, the Manager is responsible for the day-to-day operations of the Fund, and in return, the Fund pays the Manager management fees. Pursuant to a management agreement, the Manager provides management and administrative services to the Fund and Aston Hill Advantaged VIP Income Fund, for which it is paid management fees, which, when taken together, are equal to 0.90% per annum of the Net Asset Value of Aston Hill Advantage VIP Income Fund, plus applicable taxes. The Fund pays a management fee equal to 0.25% per annum of the Net Asset Value as its portion of the fee. The management fee is used by the Manager to cover its costs to obtain the Fund's assets, the cost to administer the Fund, and for profit. During the year ended December 31, 2014, management fees amounted to $359,578 ($376,333 - 2013).

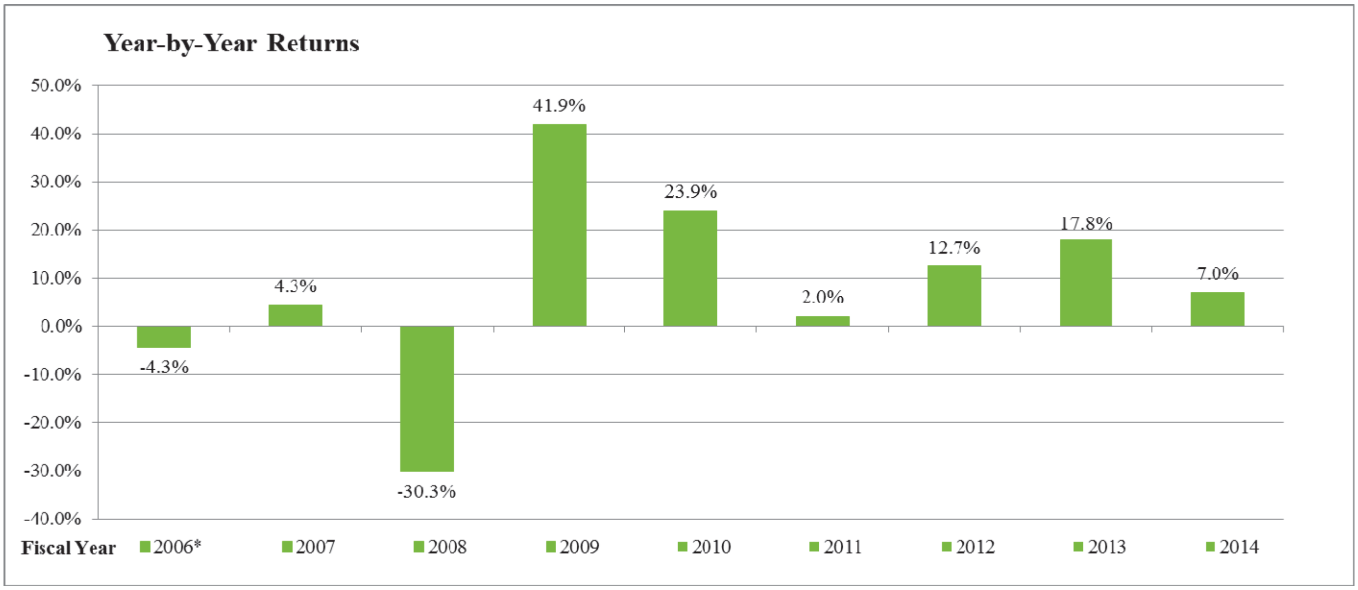
Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. During the year ended December 31, 2014 the Manager allocated administration expenses $nil (2013 - $1,035) to the Fund's expenses.

PAST PERFORMANCE

Year-by-Year Returns

The following bar charts and table shows the Fund's annual performance by showing both annual returns by fiscal year and annualized compound returns from inception assuming all the distributions made by the Fund during the years shown were reinvested. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. The bar charts show, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Past performance is not necessarily indicative of future performance.



*Period from February 15, 2006 (commencement of operations) to December 31, 2006

Annual Compound Returns

	1-Year	3-Years	5-Years	7-Years	Since Inception
Aston Hill AVIP Trust	7.0%	12.4%	12.4%	8.5%	6.0%
S&P/TSX Composite Index	10.5%	10.2%	7.5%	3.8%	5.7%

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to aid in understanding the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements:

Net Assets per Unit

The Fund's Net Assets per Unit:	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Net Assets, beginning of period (1)	**10.62**	**9.72**	**9.68**	**10.61**	**10.32**	**8.19**
Increase (decrease) from operations:						
Total revenues	0.49	0.47	0.44	0.44	0.70	0.85
Total expenses	(0.06)	(0.05)	(0.05)	(0.04)	(0.11)	(0.07)
Realized gains (losses) for the period	0.86	0.71	0.36	0.65	0.30	(1.99)
Unrealized gains (losses) for the period	(0.45)	0.48	0.40	(0.87)	1.23	4.34
Total increase (decrease) from operations (2)	**0.84**	**1.61**	**1.15**	**0.17**	**2.12**	**3.13**
Distributions:						
Cash distributions:						
From income	(0.73)	(0.77)	(1.13)	(1.12)	(0.52)	–
Return of capital	–	–	–	–	(1.26)	(1.06)
Unit distributions:						
From net realized gain on investments	(0.05)	(0.87)	(0.02)	–	–	–
Total Distributions (1) (3)	**(0.78)**	**(1.64)**	**(1.15)**	**(1.12)**	**(1.78)**	**(1.06)**
Net Assets, end of period (4) (5)	**10.63**	**10.62**	**9.72**	**9.68**	**10.61**	**10.32**

(1) Net assets and distributions are based on the actual number of units outstanding at the relevant time.
(2) The increase (decrease) in Net Assets from operations per unit are based on the weighted average number of units outstanding over the fiscal period.
(3) The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on the Fund's tax return. Allocations for the year ended December 31, 2014 are not determinable until year end.
(4) This is not a reconciliation between the opening and the closing Net Assets balances.
(5) The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 01, 2014. This information for the period January 01, 2013 to December 31, 2014 is restated under IFRS from Canadian GAAP. Information for periods prior to January 01, 2013 continues to be reported under Canadian GAAP.

Ratios and Supplemental Data

Ratios and Supplemental Data:	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Net asset value (000's)	108,877	123,035	129,467	137,460	162,981	158,872
Number of units outstanding (000's)	10,243	11,591	13,314	14,158	15,330	15,336
Base management expense ratio(1)	0.33%	0.35%	0.35%	0.34%	0.71%	0.68%
Management expense ratio ("MER") (2)	0.45%	0.39%	0.39%	0.38%	0.73%	0.68%
Trading expense ratio (3)	0.12%	0.13%	0.11%	0.16%	0.29%	0.18%
Portfolio turnover rate (4)	63.24%	92.20%	89.42%	65.58%	93.31%	36.26%
Net Assets, per unit (5)	10.63	10.62	9.72	9.71	10.63	10.36

(1) A separate base management expense ratio is presented to exclude interest expenses and issuance cost.
(2) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.
(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
(4) The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.
(5) The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 01, 2014. This information for the period January 01, 2013 to December 31, 2014 is restated under IFRS from Canadian GAAP.

SUMMARY OF INVESTMENT PORTFOLIO AS OF DECEMBER 31, 2014

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update is available at www. astonhill.ca and at www.sedar.com.

	As at December 31, 2014
Portfolio by Category	
Sector Allocation	**% of NAV**
Financials	26.8%
Foreign Corporate Bonds	20.6%
Short-term Notes	14.2%
Energy	8.4%
Canadian Corporate Bonds	5.6%
Industrials	5.2%
Materials	4.9%
Information Technology	4.4%
Telecommunication Services	3.5%
Utilities	2.9%
Consumer Discretionary	2.7%
Consumer Staples	2.2%
Foreign Currency Forward Contracts	-0.9%
Cash	7.8%
Net Other Assets (Liabilities)	-8.3%
Total	100.0%

Top 25 Holdings

Security Name	Interest rate	Maturity date	% of NAV
Short-term Notes			14.2%
Cash	10.250%	Aug/15/2017	7.8%
Crescent Resources LLC	10.250%	Jan/01/2018	2.8%
Landry's Holdings II Inc.	7.750%	Feb/15/2021	2.2%
Vector Group Ltd.			2.2%
Western Forest Products Inc.	8.750%	Apr/01/2020	2.0%
Air Canada			1.9%
PPG Industries Inc.	9.750%	Jun/01/2021	1.9%
Enova International Inc.			1.9%
Brookfield Property Partners LP			1.8%
DH Corp.	8.875%	Aug/01/2018	1.8%
Gibson Brands Inc.			1.7%
Morneau Shepell Inc.			1.7%
Crombie Real Estate Investment Trust			1.6%
Enbridge Inc.			1.6%
Veresen Inc.			1.6%
Algonquin Power & Utilities Corp.			1.6%
Element Financial Corp., 6.600%, Series A, Preferred			1.6%
Alimentation Couche Tard Inc.	9.625%	Jan/15/2022	1.6%
Eletson Holdings	8.000%	Jun/01/2022	1.6%
24 Hour Holdings III LLC	8.500%	Dec/01/2021	1.5%
Golden Nugget Inc.			1.5%
Manulife Financial Corp.			1.5%
Gildan Activewear Inc.			1.5%
Information Services Corp.	10.250%	Aug/15/2017	1.5%
Total Net asset value (NAV):			**$108,876,891**

Management's Responsibility for Financial Reporting

The accompanying financial statements of **Aston Hill AVIP Trust** (the "Fund") and all of the information therein have been prepared by Aston Hill Asset Management Inc. in its capacity as Manager of the Fund and have been approved by the Board of Directors of the Manager. The Fund's Manager is responsible for all of the information and representations contained in these financial statements and other sections of the Annual Report. Management maintains appropriate processes to ensure that relevant and reliable financial information is produced.

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements are not precise since they include certain amounts based on estimates and judgements. The Manager has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has ensured that the other financial information presented in this Annual Report is consistent with the financial statements.

The financial statements have been audited by PricewaterhouseCoopers LLP on behalf of the Unitholders. They have audited the financial statements in accordance with International Financial Reporting Standards to enable them to express to the Unitholders their opinion on the financial statements. Their report is contained within.

W. Neil Murdoch
President
Aston Hill Asset Management Inc.

Larry W. Titley
Chief Financial Officer
Aston Hill Asset Management Inc.

Toronto, Canada
March 31, 2015

March 31, 2015

Independent Auditor's Report

To the Unitholder of
Aston Hill AVIP Trust
(the Fund)

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years ended December 31, 2014 and December 31, 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements of the Fund in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of the Fund based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
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Opinion

In our opinion, the financial statements of the Fund present fairly, in all material aspects, the financial position of the Fund as at December 31, 2014, December 31, 2013 and January 1, 2013 and the financial performance and cash flows of the Fund for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

STATEMENTS OF FINANCIAL POSITION

As at	December 31, 2014	December 31, 2013	January 1, 2013
Assets			
Current assets			
Financial assets at fair value through profit or loss	**$ 94,939,855**	$ 121,305,843	$ 119,934,748
Cash	**8,459,064**	985,041	5,478,540
Short-term investments	**15,464,165**	199,508	2,993,810
Derivative assets (note 12)	**-**	-	201,558
Due from broker	**-**	385	22,077
Income receivable	**997,829**	1,322,697	1,222,236
Total assets	**119,860,913**	123,813,474	129,852,969
Liabilities			
Current liabilities			
Derivative liabilities (note 12)	**956,228**	733,650	-
Due to broker	**-**	-	335,635
Management fees payable	**28,734**	29,911	32,003
Accounts payable and accrued liabilities	**17,946**	14,673	18,847
Loans payable (note 14)	**9,981,114**	-	-
Total liabilities	**10,984,022**	778,234	386,485
Net Assets attributable to holders of redeemable units	**$ 108,876,891**	$ 123,035,240	$ 129,466,484
Redeemable units outstanding (note 5)	**10,243,266**	11,590,727	13,313,921
Net Assets attributable to holders of redeemable units per unit	**$ 10.63**	$ 10.62	$ 9.72

W. Neil Murdoch
Director

Larry W. Titley
Director

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31		2014		2013
Income				
Securities lending income (note 13)	$	**22,726**	$	19,906
Net foreign exchange gain (loss) on cash		**186,580**		11,831
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss				
Dividends		**2,164,183**		2,216,427
Interest for distribution purposes		**3,341,757**		3,822,044
Net realized gain (loss) on sale of investments		**12,215,200**		10,433,330
Net realized gain (loss) on derivatives		**(2,827,999)**		(1,431,611)
Change in unrealized gain (loss) on investments		**(4,769,608)**		6,979,510
Change in unrealized gain (loss) in derivatives		**(222,578)**		(935,208)
Total income (loss)		**10,110,261**		21,116,229
Expenses				
Management fees (note 10)		**359,578**		376,333
Custodial fees		**38,739**		36,933
Unitholder reporting costs		**5,681**		13,564
Administration fees		**-**		1,035
Interest and bank charges (note 13)		**145,644**		70,436
Withholding taxes (note 19)		**73,024**		42,864
Transaction costs		**141,744**		167,508
Total expenses		**764,410**		708,673
Increase in Net Assets attributable to holders of redeemable units	**$**	**9,345,851**	$	20,407,556
Increase in Net Assets attributable to holders of redeemable units per unit[(1)]	**$**	**0.84**	$	1.60

[(1)] Based on the weighted average number of units outstanding for the year (note 5).

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the years ended December 31	**2014**	2013
Net Assets attributable to holders of redeemable units, beginning of year	**123,035,240**	129,466,484
Increase in Net Assets attributable to holders of redeemable units	**9,345,851**	20,407,556
Redeemable unit transactions: (note 5)		
Reinvestments of distributions to holders of redeemable units	**501,655**	10,047,438
Redemption of redeemable units	**(15,400,000)**	(17,000,000)
Total redeemable unit transactions	**(14,898,345)**	(6,952,562)
Distribution to holders of redeemable units (note 9)		
From net investment income	**(8,605,855)**	(19,886,238)
Net increase in Net Assets attributable to holders of redeemable units	**(14,158,349)**	(6,431,244)
Net Assets attributable to holders of redeemable units, end of year	**108,876,891**	123,035,240

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the years ended December 31	2014	2013
Cash flows from operating activities:		
Increase (decrease) in Net Assets attributable to holders of redeemable units	**$ 9,345,851**	$ 20,407,556
Adjustments to reconcile net cash used in operations:		
Net change in unrealized (gain) loss on cash	**(38,922)**	1,167
Net realized (gain) loss on sale of investments	**(12,215,200)**	(10,433,330)
Net change in unrealized (gain) loss on investments	**4,769,608**	(6,979,510)
Net change in unrealized (gain) loss on derivatives	**222,578**	935,208
Purchase of investments	**(118,421,952)**	(140,504,509)
Proceeds from sale of investments	**136,969,260**	159,026,613
Decrease (increase) in income receivable	**324,868**	(100,461)
Increase (decrease) in management fees payable	**(1,177)**	(2,092)
Increase (decrease) in accounts payable and accrued liabilities	**3,273**	(4,174)
Net cash flow provided by (used in) operating activities	**20,958,187**	22,346,468
Cash flows from financing activities:		
Distributions paid to holders of redeemable units (note 9)	**(8,104,200)**	(9,838,800)
Amounts paid for redemption of redeemable units	**(15,400,000)**	(17,000,000)
Increase (decrease) in loans payable	**9,981,114**	-
Net cash flow provided by (used in) financing activities	**(13,523,086)**	(26,838,800)
Net increase (decrease) in cash during the year	**7,435,101**	(4,492,332)
Net change in unrealized (gain) loss on cash	**38,922**	(1,167)
Cash, beginning of year	**985,041**	5,478,540
Cash, end of year	**8,459,064**	985,041
Supplemental information:		
Dividend received, net of withholding tax	**$ 2,124,390**	$ 2,264,046
Interest received	**3,085,133**	3,905,657
Interest paid	**82,844**	4,811

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2014		Cost	Fair Value	% of Portfolio
	Fixed income investments			
Par Value	**Domestic bonds**			
1,700,000	Air Canada *8.750% due April 1, 2020*	$ 1,753,290	$ 2,111,783	
1,075,000	Jupiter Resources Inc. *8.500% due October 1,2022*	1,134,280	943,179	
1,400,000	Tembec Industries Inc. *9.000% due December 15, 2019*	1,552,244	1,599,256	
1,291,000	Tricon Capital Group Inc. *5.600% due March 31, 2020*	1,291,000	1,413,645	
	Total Domestic bonds	**5,730,814**	**6,067,863**	**6.4%**
	Foreign bonds			
USD 1,800,000	24 Hour Holdings III LLC *8.000% due June 1, 2022*	1,961,638	1,678,307	
USD 1,400,000	CEC Entertainment Inc. *8.000% due February 15, 2022*	1,572,553	1,581,014	
USD 2,460,000	Crescent Resources *10.250% due August 15, 2017*	2,546,835	3,070,121	
USD 1,500,000	Eletson Holdings *9.625% due January 15, 2022*	1,600,176	1,711,317	
USD 1,500,000	Emeco Pty Ltd. *9.875% due March 15, 2019*	1,627,195	1,329,094	
USD 1,800,000	Enova International Inc. *9.750% due June 1, 2021*	1,934,045	2,058,793	
USD 1,700,000	Gibson Brands Inc. *8.875% due August 1, 2018*	1,795,738	1,900,112	
USD 1,500,000	Golden Nugget Escrow Inc. *8.500% due December 1, 2021*	1,562,175	1,670,055	
USD 1,400,000	Jefferies Finance LLC/JFIN Co-Issuer Corp. *7.500% due April 15, 2021*	1,567,574	1,514,125	
USD 2,000,000	Landrys Holdings II Inc. *10.250% January 1, 2018*	1,969,506	2,397,582	
USD 1,543,000	McDermott International Inc. *8.000% due May 1, 2021*	1,720,709	1,268,900	
USD 1,922,000	Vector Group Ltd *7.750% due February 15, 2021*	1,920,847	2,351,382	
	Total Foreign bonds	**21,778,991**	**22,530,802**	**23.7%**
	Total Fixed income investments	**27,509,805**	**28,598,665**	**30.1%**
	Equities			
No. of Shares	**Financials**			
39,100	Allied Properties Real Estate Investment Trust	1,375,838	1,463,904	
38,000	Bankunited Inc.	1,104,551	1,275,073	
24,121	Boardwalk Real Estate Investment Trust	1,395,348	1,484,406	
73,000	Brookfield Property Partners LP	1,547,425	1,930,850	
28,000	Canadian Real Estate Investment Trust	1,246,705	1,282,120	
113,932	Chartwell Retirement Residences	1,042,308	1,356,930	
32,905	CI Financial Corp.	1,106,409	1,062,502	
136,700	Crombie Real Estate Investment Trust	1,660,740	1,766,164	
1,238,547	Delavaco Residential Properties Corp.	1,196,939	1,104,603	
68,000	Element Financial Corp., Series A, Perferred	1,700,000	1,733,320	
31,972	Enova International Inc.	969,777	824,324	
63,180	H&R Real Estate Investment Trust	1,379,253	1,372,901	
30,500	IGM Financial Inc.	1,330,035	1,412,455	
165,360	InterRent Real Estate Investment Trust	1,017,463	990,506	
74,500	Manulife Financial Corp.	1,360,070	1,652,410	
103,000	Morneau Shepell Inc.	1,537,681	1,799,410	
347,660	Pure Industrial Real Estate Trust	1,557,992	1,543,610	
57,600	RioCan Real Estate Investment Trust	1,528,787	1,522,368	
20,000	Royal Bank of Canada	1,053,839	1,604,800	
110,600	Slate Retail REIT	1,299,550	1,338,260	
58,000	Slate US Opportunity No 3 Realty Trust Class I Units (1)	602,360	671,786	
	Total Financials	**27,013,070**	**29,192,702**	**30.7%**
No. of Shares	**Energy**			
23,835	Altagas Ltd.	816,790	1,033,009	
28,000	Crescent Point Energy Corp.	1,153,817	753,480	
29,400	Enbridge Inc.	1,548,907	1,756,356	
65,816	Inception Exploration Ltd. (1)	263,264	263,264	
178,808	New Wave Energy Services Group Ltd.(1)	286,093	303,974	
24,230	Pembina Pipeline Inc.	855,893	1,025,898	
42,200	PrairieSky Royalty Ltd.	1,511,060	1,291,320	
25,700	Tourmaline Oil Corp.	1,099,510	994,590	
95,000	Veresen Inc.	1,558,000	1,744,200	
	Total Energy	**9,093,334**	**9,166,091**	**9.7%**

(1) Level 3 financial asssets (note 17)

SCHEDULE OF INVESTMENT PORTFOLIO ... (Continued)

As at December 31, 2014			Cost		Fair Value	% of Portfolio
	Consumer discretionary					
23,100	Burlington Stores Inc.		987,522		1,264,471	
24,800	Gildan Activewear Inc.		1,499,872		1,629,360	
12,700	Skylink Aviation Inc., private placement[(1)]		127		-	
11,100	Walt Disney Co.		988,660		1,210,963	
	Total Consumer discretionary		**3,476,181**		**4,104,794**	**4.3%**
	Consumer staples					
35,300	Alimentation Couche-Tard Cl B		649,982		1,718,757	
9,900	Kraft Foods Group Inc.		493,330		718,503	
	Total Consumer staples		**1,143,312**		**2,437,260**	**2.6%**
	Industrials					
81,000	ATS Automation Tooling Systems Inc.		1,128,330		1,255,500	
20,100	Canadian National Railway Co.		689,371		1,608,402	
311,090	CERF Inc.		916,545		637,735	
6,500	FedEx Corp.		1,265,070		1,307,423	
16,600	Nielsen Holdings NV		759,404		860,023	
	Total Industrials		**4,758,720**		**5,669,083**	**6.0%**
	Information technology					
52,000	DH Corp.		1,205,176		1,906,840	
18,100	Ethoca Solutions Inc. [(1)]		1,170,844		1,278,826	
88,800	Information Services Corp.		1,482,774		1,616,160	
9,380	Stratus Technologies Inc., PFD [(1)]		-		-	
41,200	Stratus Technologies Inc.,(R193) [(1)]		-		-	
	Total Information technology		**3,858,794**		**4,801,826**	**5.1%**
	Materials					
52,000	Chemtrade Logistics Income Fund		988,000		1,076,400	
7,690	PPG Industries Inc.		1,046,831		2,058,843	
798,184	Western Forest Products Inc.		1,184,124		2,155,097	
	Total Materials		**3,218,955**		**5,290,340**	**5.6%**
	Telecommunication services					
706,987	Cenoplex Inc. [(1)]		887,232		24,566	
11,300	MacDonald Dettwiler & Associates Ltd.		664,765		1,072,935	
34,616	Telus Communication		1,100,550		1,450,064	
	Total Telecommunication services		**2,652,547**		**2,547,565**	**2.7%**
No. of Shares	**Utilities**					
180,000	Algonquin Power & Utilities Co.	$	1,311,072	$	1,735,200	
91,323	Northland Power Inc.		1,484,714		1,396,329	
	Total Utilities		**2,795,786**		**3,131,529**	**3.3%**
	Total Equities	**$**	**58,010,699**	**$**	**66,341,190**	**69.9%**
	Embedded Broker Commission		(50,861)			
	Total Investments in Aston Hill AVIP Trust	**$**	**85,469,643**	**$**	**94,939,855**	**100.0%**

Schedule A Short-term investments

As at December 31, 2014			Cost		Fair Value
	Short-term investments				
Par Value	**Treasury Bills**				
1,000,000	Canadian Treasury Bill, 0.88% *due January 15, 2015*	$	997,670	$	997,670
1,500,000	Canadian Treasury Bill, 0.89% *due January 29, 2015*		1,496,955		1,496,955
3,000,000	Canadian Treasury Bill, 0.89% *due February 26, 2015*		2,992,890		2,992,890
4,000,000	Canadian Treasury Bill, 0.87% *due March 12, 2015*		3,993,160		3,993,160
3,000,000	Canadian Treasury Bill, 0.89% *due March 26, 2015*		2,992,700		2,992,700
3,000,000	Canadian Treasury Bill, 0.90% *due April 23, 2015*		2,990,790		2,990,790
		$	**15,464,165**	**$**	**15,464,165**

[(1)] Level 3 financial asssets (note 17)

SCHEDULE OF INVESTMENT PORTFOLIO ... (Continued)

As at December 31, 2014

Schedule B Foreign Currency Forward Contracts

Bought	Sold	Delivery Date	Forward Rate (USD/CAD)	Unrealized Gain	Counterparty	Counterparty Credit Rating
CAD 5,779,932	USD (5,100,000)	January 20, 2015	0.88236	(129,657)	Bank of Nova Scotia	A+
CAD 11,891,618	USD (10,500,000)	January 20, 2015	0.88297	(275,177)	Canadian Imperial Bank Canada	A+
CAD 21,961,188	USD (19,400,000)	January 20, 2015	0.88338	(518,404)	Royal Bank of Canada	AA-
CAD 1,698,825	USD (1,500,000)	January 20, 2015	0.88296	(39,288)	Bank of Nova Scotia	A+
CAD (3,585,683)	USD 3,100,000	January 20, 2015	0.86451	6,298	Canadian Imperial Bank Canada	A+

(1) Level 3 financial asssets (note 17)

NOTES TO THE FINANCIAL STATEMENTS (December 31, 2014)

1. GENERAL INFORMATION

Aston Hill AVIP Trust (the "Fund") is a closed-end investment trust created under the laws of the Province of Ontario on January 27, 2006, pursuant to a declaration of trust. Aston Hill Asset Management Inc. is the Trustee and the Manager of the Fund and is responsible for managing the affairs of the Fund. RBC Investor Services Trust is the custodian of the Fund's assets and prepares the weekly valuations of the Fund. The Fund commenced operations on February 15, 2006. The Fund will be terminated on or about June 29, 2028, if not terminated earlier in accordance with the terms of the declaration of trust. The address of the Fund's registered office is 77 King Street West, suite 2110, Toronto, Ontario, M5K 1G8.

Aston Hill Advantage VIP Income Fund has a forward agreement ("Forward Agreement") that provides exposure to the return on the portfolio held by the Fund. The return to investors of Aston Hill Advantage VIP Income Fund is dependent upon the return of the Fund pursuant to the Forward Agreement.

The investment objective of the Fund is to capture the opportunity for capital appreciation. The Fund seeks to achieve its investment objective through active asset and sector allocation and by investing in those producing securities that the Manager believes represent the best weighting to achieve its investment objective. AVIP Trust has exposure to a diversified portfolio of income producing securities including income trusts, dividend paying common shares, convertible debt, preferred shares and investment grade fixed income investments. Subject to its investment restrictions, AVIP Trust may invest in high yield debt and special situations, such as foreign equities and non-dividend paying equities.

These financial statements were authorized for issue by Aston Hill Asset Management Inc. (the Manager) on March 31, 2015.

2. BASIS OF PREPARATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB) and under the historical cost convention basis, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit and loss. The Fund adopted this basis of accounting in 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at January 1, 2013 and throughout all periods presented, as if these policies had always been in effect. note 18 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

The policies applied in these annual financial statements are based on IFRS issued and outstanding as of March 31, 2015, which is the date on which the annual financial statements were authorized for issue by the Manager.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds' accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's long position investments in debt and equity securities and fixed income securities are designated at fair value through profit or loss ("FVTPL") at inception. The Fund's derivatives are categorized as held for trading. As a result of such designation and categorization, the Fund's investments and derivatives are measured at FVTPL. Leverage, interest payable, distributions payable, accounts payable, accrued liabilities and management fees payable are designated as other financial liabilities and reported at amortized cost which given its short term nature approximates its fair value. The Fund's obligation for Net Assets attributable to holders of redeemable units is presented at approximately the redemption amount. All other financial assets and liabilities are measured for at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its published Net Asset Value (NAV). The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels at the beginning of the period in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market including foreign currency forward contracts are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each measurement date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and others commonly used by market participants and which make the maximum us of observable inputs. Refer to note 17 for further information about the Fund's fair value measurements. The Fund's net asset value per unit (including those by class, as applicable) did not differ from its net assets attributable to holders of redeemable units per unit as at December 31, 2014, December 31, 2013 and January 1, 2013, as applicable.

c) Cash

Cash consists of cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown in current liabilities in the Statements of Financial Position.

d) Investment Transactions and Income Recognition

Regular purchases and sales are recognized on the trade date - the date on which the Fund commits to purchase or sell the investment, and any realized and unrealized gains or losses are recognized using the average cost of the investments, which excludes broker commissions. The interest income for distribution purposes shown on the Statements of Comprehensive Income (Loss) represents the coupon interest earned by the fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. Dividend income is recognized on the ex-dividend date.

e) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are expensed and are recognized in the Statements of Comprehensive Income (Loss).

f) Income Taxes

The Fund qualifies as a unit trust and is deemed a financial institution under the Income Tax Act (Canada). Provided the Fund makes distributions in each year of its net income and net realized capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all of its net income and net realized and unrealized capital gains on an annual basis. Accordingly, no income tax provision has been recorded. The Fund may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income (Loss).

g) Foreign Exchange

The fair values of investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the noon rate of exchange on each valuation date. Purchases and sales of investments and income derived from investments are translated at the rate of exchange prevailing on the date of such transactions.

h) Foreign Currency Translation

The majority of the Funds' subscriptions and redemptions are denominated in Canadian dollar, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated in to the functional currency using the exchange rate prevailing at the measurement date. Foreign exchange gains and losses relating to cash and those relating to other financial assets and liabilities are presented as "Net foreign currency gains or losses on cash and other net assets" in the Statements of Comprehensive Income (Loss).

i) Derivative Contracts

The Fund may enter into foreign currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. The fair value of such contracts will fluctuate with changes in currency exchange rates. The contracts are marked-to-market and the change in fair value is recorded as an unrealized gain or loss. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract on the date it was opened and the value on the date it was closed.

j) Securities Lending

The Fund may enter into securities lending transactions. These transactions involve the temporary exchange of securities as collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on securities held as collateral. Income earned from these transactions is recognized on an accrual basis and included in the Statements of Comprehensive Income (Loss).

k) Accounting Standards Issued But Not Yet Adopted

The final version of International Financial Reporting Standard (IFRS) 9, Financial Instruments, was issued by IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund have made in preparing the financial statements:

Classification of Redeemable Units Issued by the Fund

Under Canadian GAAP, the Fund accounted for their redeemable units as equity. Under IFRS, IAS 32 requires that shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability. The unitholders can request cash distributions and therefore the Fund's units do not meet the criteria in IAS 32 for classification as equity. They have been reclassified as financial liabilities on transition to IFRS.

Functional and Presentation Currency

The Fund's investors are primarily Canadian residents, with the subscriptions and redemptions of the redeemable shares denominated in Canadian dollars. The primary activity of the Fund is to invest in Canadian and US securities and derivatives and to offer Canadian investors a higher return compared to other products available in Canada. The performance of the Fund is measured and reported to the investors in Canadian dollar. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

When the Fund holds financial instruments that are not quoted in active markets, the fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market markers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

Classification and Measurement of Investments and Application of the Fair Value Option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make judgments about the classification of financial instruments and the applicability of the fair value option to its investments which are not held for trading. The Manager has determined that the Fund's derivatives are held for trading due to their short term nature. The fair value option has been applied to the Fund's investments in fixed income securities as the investments are managed on a fair value basis in accordance with the Fund's investment strategy.

5. REDEEMABLE UNITS OF THE FUND

Authorized

Each redeemable unit of the Fund represents and equal, undivided interest in the Net Assets attributable to holders of redeemable units of the Fund. On termination of the Fund, unitholders are entitled to receive their pro rata share of the assets of the Fund.

	December 31, 2014 Number of Units	December 31, 2013 Number of Units
Redeemable units, beginning of year	11,590,727	13,313,921
Redemption of redeemable units	(1,347,461)	(1,723,194)
Redeemable units, end of year	**10,243,266**	**11,590,727**

The weighted average number of units outstanding for the year ended December 31, 2014 was 11,155,109 (2013 – 12,752,113).

6. CUSTODIAN

Pursuant to the Trust Agreement, RBC Investor & Treasury Services (the "Custodian") also acts as custodian of the assets of the Fund. In consideration for these services, the Fund pays a fee to the Custodian. The Custodian is rated AA- by Standard & Poor's ("S&P") as of December 31 2014 and December 31, 2013.

7. FUND ADMINISTRATION

RBC Investor & Treasury Services is responsible for certain aspects of the Fund's day-to-day operations, including calculating Net assets attributable to holders of redeemable units, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund.

8. CAPITAL MANAGEMENT

Unitholders' equity is considered to be the source of capital for the Fund. The Fund's objectives are managing capital to safeguard the Fund's ability to continue as a going-concern, to provide financial capacity and flexibility to meet its strategic objectives, and to provide an adequate return to unitholders commensurate with the level of risk while maximizing the distributions to unitholders.

Since both the revenues and expenses of the Fund are reasonably predictable and stable and since the Fund does not have any externally imposed capital requirements, the Manager believes that the current level of distributions, capital and capital structure are sufficient to sustain ongoing operations. The Manager actively monitors the cash position and financial performance of the Fund to ensure there are resources to meet current distribution levels.

There are currently no externally imposed capital requirements for the Fund.

9. DISTRIBUTIONS PAYABLE TO UNITHOLDERS

The Fund will make distributions to unitholders if, as and when declared by the Manager. For the year ended December 31, 2014, the Fund declared total distributions of $0.776 (2013 – $1.637) per unit, which amounted to $8,605,855 (2013 – $19,886,238), part of which was a special unit distribution that amounted to $501,655 (2013 - $10,047,438). The unit distributions were immediately consolidated so that the number of units outstanding equalled the number of units outstanding immediately prior to the special distribution.

10. RELATED PARTY TRANSACTIONS

Management Fees

Pursuant to management agreements, the Fund, together with Aston Hill Advantage VIP Income Fund, pays a management fee equal to 0.90% per annum of the Net Asset Value of the Fund, plus applicable taxes. The portion of the fee paid by the Fund is equal to 0.25% per annum.

For the years ended December 31, 2014, the management fee amounted to $359,578 (2013 - $376,333) out of which $28,734 is outstanding payable as of December 31, 2014 (2013 - $29,911). The Fund is responsible for all other operating expenses incurred in connection with its operation and administration, such as custodian valuation, trustee, reporting, audit and legal fees.

11. BROKER COMMISSION CHARGES AND SOFT DOLLAR SERVICES

The brokerage commissions paid to dealers included $6,788 (2013 – $6,169) that was available for paying to third party vendors, of which was used for research by the Manager.

12. DERIVATIVE CONTRACTS

The Fund may use foreign currency forward contracts to hedge foreign exchange risks associated with its US dollar investment portfolio. Please see Schedule B Forward Currency Contracts in the Schedule of Investment Portfolio.

13. SECURITIES LENDING

The Fund has entered into a securities lending program with its custodian, RBC Investor Services Trust. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund will receive collateral of at least 102% of the value of the securities on loan. Collateral will generally be comprised of cash and obligations of, or guaranteed by, the Government of Canada or a province thereof, or the United States Government or its agencies, or a permitted supranational agency as defined in NI 81-102. The market values of the securities on loan and the related collateral at December 31, 2014, were $14.7 million (2013 – $20.1 million) and $15.0 million (2013 – $20.5 million), respectively.

14. LOANS PAYABLE

Pursuant to an agreement with a Canadian chartered bank, the Fund maintains a 364-day revolving credit facility. The revolving credit facility provides for maximum borrowings of $35.0 million, with borrowing in Canadian currency at either the prime rate of interest or the bankers' acceptance rate, plus a fixed percentage, or US base rate loans or LIBOR rate plus a fixed percentage. During the period ended December 31, 2014, the minimum and maximum amounts of borrowings were $nil (2013 – $nil) and $10.0 million (2013 – $nil), respectively. There was a CAD $10.0 million loan outstanding under this facility as at December 31, 2014 (2013 – CAD $nil).

The credit facility contains several financial covenants that require the Fund to meet certain financial ratios and financial condition tests. The Fund is within its financial covenants with respect to the credit facility. The Manager monitors the use of the credit facility on a regular basis.

15. INCOME TAXES

As at December 31, 2014, the Fund had accumulated capital losses of $6,470,008 (2013 – $6,470,008). The capital loss can be carried forward for an indefinite period.

16. FINANCIAL RISK MANAGEMENT

The Fund is exposed to a variety of financial instruments risks: credit risk, liquidity risk, portfolio concentration risk and market risk (including interest rate risk, currency risk and price risk). The level of risk to which each Fund is exposed depends on the investment objectives and the type of investments the Fund holds. The value of investments can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company-specific news related to investments held by the Fund. The Manager of the Fund may attempt to minimize the potential adverse effects of these risks on the Fund's performance by, but not limited to, regular monitoring of the Fund's positions and market events and diversification of the investments by asset type, sector, and term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2014, and groups the securities by asset type and market segment. The following comparative summary represents the securities by asset type and market segment held by the Fund as at December 31, 2013 and January 1, 2013.

Concentration risk

As at December 31, 2013

Investment Sector	Equities	Fixed Income Investments	As of % of Portfolio
Consumer discretionary	6.3%	–	6.3%
Financials	15.1%	–	15.1%
Energy	14.3%	–	14.3%
Industrials	7.1%	–	7.1%
Real estate	12.1%	–	12.1%
Domestic bonds	–	3.8%	3.8%
Foreign bonds	–	24.3%	24.3%
Consumer staples	3.7%	–	3.7%
Telecommunication services	2.9%	–	2.9%
Information technology	3.3%	–	3.3%
Utilities	2.2%	–	2.2%
Materials	4.9%	–	4.9%
Total	71.9%	28.1%	100.0%

As at January 1, 2013

Investment Sector	Equities	Fixed Income Investments	As of % of Portfolio
Consumer discretionary	11.6%	–	11.6%
Financials	19.5%	–	19.5%
Energy	4.3%	–	4.3%
Industrials	7.8%	–	7.8%
Real estate	–	–	0.0%
Domestic bonds	–	10.3%	10.3%
Foreign bonds	–	13.9%	13.9%
Consumer staples	13.1%	–	13.1%
Telecommunication services	13.9%	–	13.9%
Information technology	0.6%	–	0.6%
Oil and gas	3.8%	–	3.8%
Healthcare	1.2%	–	1.2%
Total	75.8%	24.2%	100.0%

The Fund's total investments include long fixed income and equity investments. Derivative assets/liabilities and short-term income investments are not included.

The Manager attempts to minimize the potential adverse effects of these risks on the Fund's performance by diversifying the investment portfolio within the constraints of the investment objectives, and by using financial instruments to hedge certain risk exposures. To assist in managing risks, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and restrictions, internal guidelines, and securities regulations.

Significant risks that are relevant to the Fund are discussed below.

Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as corporate debt. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The Fund is also exposed to interest rate risk on its variable interest rate loans. Fluctuations in interest rates have a direct impact on the interest payments the Fund makes on its loans.

The table below summarizes the Fund's exposure to interest rate risk as at December 31, 2014, December 31, 2013 and January 1, 2013 by remaining term to maturity.

As at December 31, 2014:

	Less than 1 year	**1 - 3 years**	**3 - 5 years**	**> 5 years**	**Total**
Investments	**$15,464,165**	**$3,070,121**	**$7,226,045**	**$18,302,499**	**$44,062,830**
As a percentage of Net assets attributable to holders of redeemable units	**14.2%**	**2.8%**	**6.6%**	**16.8%**	**40.4%**

As at December 31, 2013:

	Less than 1 year	1 – 3 years	3 - 5 years	> 5 years	Total
Investments	**$1,580,753**	**$1,808,368**	**$9,341,518**	**$21,560,609**	**$34,291,248**
As a percentage of Net assets attributable to holders of redeemable units	**1.3%**	**1.5%**	**7.6%**	**17.5%**	**27.9%**

As at January 1, 2013:

	Less than 1 year	1 - 3 years	3 - 5 years	> 5 years	Total
Investments	**$2,993,810**	**$1,294,408**	**$14,014,741**	**$25,879,798**	**$44,182,757**
As a percentage of Net assets attributable to holders of redeemable units	**2.3%**	**1.0%**	**10.8%**	**20.0%**	**34.1%**

As at December 31, 2014, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, Net Assets attributable to holders of redeemable units of the Fund would have decreased by approximately $1.1 million or 1.0% (December 31, 2013 - $1.3 million or 1.1%; January 1, 2013 – $1.3 million or 1.0%). Similarly, had prevailing interest rates decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, Net Assets attributable to holders of redeemable units of the Fund would have increased by $1.2 million or 1.1% (December 31, 2013 - $1.4 million or 1.2%; January 1, 2013 – $1.3 million or 1.0%). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio and the impact on annual interest expense for the loans payable. In practice, the actual trading results may differ, and the difference could be material.

Currency Risk

Currency risk is the risk that financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. As at December 31, 2014, the Fund's exposure of US38.8 million in investments and cash and short-term investments (December 31, 2013 – US$46.7 million; January 1, 2013 – US$42.2 million) was substantially hedged through its foreign currency forward contract of US$33.4 million notional (December 31, 2013 – US$41.5 million; January 1, 2013 – US$34.1 million).

The following tables summarize the Fund's exposure to currency risk in Canadian dollar equivalents as at December 31, 2014, December 31, 2013 and January 1, 2013, and illustrate the approximate impact on Net Assets had the Canadian dollar ("CAD") weakened by 5% in relation to other currencies. If the Canadian dollar were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2014

Currency (000s)	**Non-Monetary Instruments**	**Monetary Instruments Assets (Liabilities)**	Derivatives Exposure	**Net Currency Exposure**	**% of Net Assets**
US dollar	$ 12,600	$ 32,334	$ (37,746)	$ 7,188	6.6%
Total	$ 12,600	$ 32,334	$ (37,746)	$ 7,188	6.6%

As at December 31, 2013

Currency (000s)	Non-Monetary Instruments	Monetary Instruments Assets (Liabilities)	Derivatives Exposure	Net Currency Exposure	% of Net Assets
US dollar	$ 16,115	$ 33,625	$ (43,402)	$ 6,338	5.2%
Total	$ 16,115	$ 33,625	$ (43,402)	$ 6,338	5.2%

As at January 1, 2013

Currency (000s)	Non-Monetary Instruments	Monetary Instruments Assets (Liabilities)	Derivatives Exposure	Net Currency Exposure	% of Net Assets
US dollar	$ 11,692	$ 30,702	$ (34,167)	$ 8,227	6.4%
Total	$ 11,692	$ 30,702	$ (34,167)	$ 8,227	6.4%

Market Price Risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

The Fund is exposed to other price risk from its investment in equities. As at December 31, 2014, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, Net Assets would have increased or decreased by approximately $6.6 million or 6.1% of Net Assets attributable to holders of redeemable units (December 31, 2013 – approximately $8.7 million or 7.1% of Net Assets attributable to holders of redeemable units; January 1, 2013 – approximately $7.9 million or 6.1% of Net Assets attributable to holders of redeemable units). In practice, the actual trading results may differ, and the difference could be material.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities. The fair value of debt securities includes consideration of the creditworthiness of the issuer. The carrying amount of income receivable, amounts receivable for investments sold, unrealized gain on foreign currency forward contracts, debt securities and short-term investments, as presented on the Schedule of Investment Portfolio and Statements of Financial Position, represents the maximum credit risk exposure as of December 31, 2014, December 31, 2013 and January 1, 2013.

Income receivable will be settled in the short-term. All transactions in securities are settled or paid for upon delivery. The risk of default is considered minimal, as delivery of securities sold is only made once the Fund has received payment. The trade will fail if either party fails to meet its obligation.

The Manager evaluates the credit quality of the securities prior to purchase and performs ongoing monitoring of the credit quality of securities. As of the purchase date, The Fund will not invest more than 10% of its total assets in the securities of any one issuer in accordance with investment restrictions.

As at December 31, 2014, the Fund had 40.4% (December 31, 2013 – 27.9%; January 1, 2013 – 34.1%) of its investment portfolio (including short-term investments) invested in debt securities with the following credit ratings. Credit ratings are obtained from Standard & Poor's.

Rating	December 31, 2014 (% of Net Assets)	December 31, 2013 (% of Net Assets)	January 1, 2013 (% of Net Assets)
AAA	14.2%	0.2%	2.3%
Below BBB-	26.2%	27.7%	31.8%
Total	**40.4%**	**27.9%**	**34.1%**

As of December 31, 2014, December 31, 2013 and January 1, 2013, securities rated AAA were comprised of short-term investments.

The Fund has entered into a securities lending program with its custodian; see note 13. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

The Fund was also exposed to credit risk for the amount of unrealized gain under the foreign currency forward contracts with a Canadian chartered bank with an AA- to A+ rating.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Unitholder redemption requests are the main liquidity risk for the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. The Fund is exposed to liquidity risk through its redemptions. To manage liquidity risk, the Fund's investment portfolio comprises readily marketable securities.

The Fund also has a 364-day revolving credit facility, which can be used to fund redemptions or finance investments; see note 14. The credit facility contains several financial covenants that require the Fund to meet certain financial ratios and financial condition tests. The Fund is within its financial covenants with respect to the credit facility. The Manager monitors the use of the credit facility on a regular basis.

All of the Fund's financial liabilities at December 31, 214 and December 31, 2013 and January 1, 2013 had maturities of less than one year. The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted amounts.

As at December 31, 2014:

Financial liabilities		On demand		less than 3 months		Total
Derivative liabilities	$	–	$	956,228	$	956,228
Management fees payable		–		28,734		28,734
Accounts payable and accrued liabilities		–		17,946		17,946
Loan payable		9,981,114		–		9,981,114
Total	**$**	**9,981,114**	**$**	**1,002,908**	**$**	**$10,984,022**

As at December 31, 2013:

Financial liabilities		On demand		less than 3 months		Total
Derivative liabilities	$	–	$	733,650	$	733,650
Management fees payable		–		29,911		29,911
Accounts payable and accrued liabilities		–		14,673		14,673
Total	**$**	**–**	**$**	**778,234**	**$**	**778,234**

As at January 1, 2013:

Financial liabilities		On demand		less than 3 months		Total
Due to broker	$	–	$	335,635	$	335,635
Management fees payable		–		32,003		32,003
Accounts payable and accrued liabilities		–		18,847		18,847
Total	**$**	**–**	**$**	**386,485**	**$**	**386,485**

17. Fair Value Measurement

The Fund's assets and liabilities recorded at fair value have been categorized within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The Fund classifies its investments and derivative assets/liabilities into three categories based on the nature of the inputs used to determine their fair value. The categories and the nature of the inputs used in each category are as follows:

Level l: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgement or estimation.

Equities

The Fund's equity positions are classified as level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as level 3.

Fixed income and Short-term investments

The Fund's fixed income and short-term investments are classified as level 2 as they are valued using observable inputs, including interest rate curves, credit spreads and volatilities and are not actively traded.

Foreign currency forward contracts

The Fund may enter into foreign currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. The fair value of such contracts will fluctuate with changes in currency exchange rates. The forward contracts' value is the value that could be realized if the forward contracts were closed out on the financial reporting date and the change in fair value is recorded as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract on the date it was opened and the value on the date it was closed. Foreign currency forward contracts are classified as level 2.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2014, December 31, 2013 and January 1, 2013.

Assets at fair value as at December 31, 2014		Level 1		Level 2		Level 3		Total
Equities	$	63,798,774		–	$	2,542,416	$	66,341,190
Short-term investments		–		15,464,165		–		15,464,165
Fixed income investments		–		28,598,665		–		28,598,665
Total	**$**	**63,798,774**	**$**	**44,062,830**	**$**	**2,542,416**	**$**	**110,404,020**

Liabilities at fair value as at December 31, 2014		Level 1		Level 2		Level 3		Total
Derivative liabilities	$	–	$	956,228	$	–	$	956,228
Total	**$**	**–**	**$**	**956,228**	**$**	**–**	**$**	**956,228**

Assets at fair value as at December 31, 2013		Level 1		Level 2		Level 3		Total
Equities	$	83,851,635	$	–	$	3,039,193	$	86,890,828
Short-term investments		–		199,508		–		199,508
Fixed income investments		–		32,710,495		1,381,245		34,091,740
Warrants		323,275		–		–		323,275
Total	$	84,174,910	$	32,910,003	$	4,420,438	$	121,505,351

Liabilities at fair value as at December 31, 2013		Level 1		Level 2		Level 3		Total
Derivative liabilities	$	–	$	733,650	$	–	$	733,650
Total	$	–	$	733,650	$	–	$	733,650

Assets at fair value as at January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	$ 77,985,959	$ –	$ 759,842	$ 78,745,801
Short-term investments	–	2,993,810	–	2,993,810
Fixed income investments	–	38,822,918	2,366,029	41,188,947
Derivative assets	–	201,558	–	201,558
Total	$ 77,985,959	$ 42,018,286	$ 3,125,871	$ 123,130,116

There were no transfers of financial assets between the levels 1 and 2 during the years ended December 31, 2014 and 2013.

The following table provides a reconciliation of fair value of investments using level 3 inputs from December 31, 2013 to December 31, 2014:

	Equities	Fixed Income Investments	Total
Balance, beginning of year January 1, 2014	$ 3,039,193	$ 1,381,245	$ 4,420,438
Purchases	207,701	–	207,701
Net transfers in (out)	–	(1,381,245)	(1,381,245)
Unrealized gain (loss)	(704,478)	–	(704,478)
Balance, end of year December 31, 2014	$ 2,542,416	$ –	$ 2,542,416

The following table provides a reconciliation of fair value of investments using Level 3 inputs from December 31, 2012 to December 31, 2013:

	Equities	Fixed Income Investments	Total
Balance, beginning of year January 1, 2013	$ 759,842	$ 2,366,029	$ 3,125,871
Purchases	3,002,218	–	3,002,218
Net transfers in (out)	(759,842)	(1,071,621)	(1,831,463)
Unrealized gain (loss)	36,975	86,837	123,812
Balance, end of year December 31, 2013	$ 3,039,193	$ 1,381,245	$ 4,420,438

The following table provides a reconciliation of fair value measurements using Level 3 inputs from December 31, 2011 to January 1, 2013:

	Equities	Fixed Income Investments	Total
Balance, beginning of year January 1, 2012	$ –	$ –	$ –
Purchases	737,398	2,340,028	3,077,426
Unrealized gain (loss)	22,444	26,001	48,445
Balance, end of year December 31, 2012	$ 759,842	$ 2,366,029	$ 3,125,871

The change in unrealized gains (losses) during the year for assets held as at December 31, 2014 was ($704,478) (December 31, 2013 - $123,812; January 1, 2013 – $48,445).

The fair value of the level 3 investments is reviewed by management based on a number of applicable valuation techniques that depend on a number of factors including stage of business, the period since the last third-party financing, the ability to compare the businesses to similar publicly held companies, the reliability of future cash flow projections, and disclosed information related to transactions involving similar businesses. Due to the nature of this detailed approach to fair value determination and the number of different key assumptions, there is no alternative assumption applicable to the investments of the Fund; however, changes in key assumptions may cause material changes in the value of the investments held by the Fund.

The Fund's Level 3 securities consist of private equity positions. These positions are typically valued at cost and are adjusted based on market conditions. The Fund’s Manager coordinates regular reviews to the value of these private companies using valuation techniques relevant to each position and any available market data.

The following shows the impact to the fair value of material assets and liabilities categorized in level 3 held at the end of December 31, 2014, had the value of the security increased or decreased as a result in a reasonable shift in value of any unobservable inputs used to value these securities:

Security Name	**Fair Value**	**Valuation technique**	**Unobservable inputs**	**Weighted average**	**Reasonable Shift (+/-)**		**Change in valuation**	
Ethoca Solutions Inc.	1,278,826	Recent equity financing	2014 projected revenue multiples	10.65 x	+1.0 x	-0.5 x	$120,000	-$60,000
Inception Exploration Ltd.	263,264	Recent equity financing	Lack of marketability discount	58%	+10%	-10%	-$62,000	$62,000
New Wave Energy Services Group Ltd.	63,254	Comparable company multiples	2015 projected revenue multiples	6.2 x	+0.8 x	-1.7 x	$23,000	-$34,000
New Wave Energy Services Group Ltd., Private Placement	240,720	Comparable company multiples	2015 projected revenue multiples	6.2 x	+0.8 x	-1.7 x	$87,000	- $130,000
Slate US Opportunity No. 3 Realty Trust Class I Units	617,786	NAV of the investee Fund	NAV of the investee Fund	N/A	3.1%	-	$21,000	$ -

The Fund may hold other assets and liabilities categorized in level 3, however they are immaterial to the Fund and any reasonable possible shift in their valuation would not have any significant impact to the Net Assets attributable to holders of redeemable unit of the Fund.

18. TRANSITION TO IFRS

The effect of the Fund's transition to IFRS is summarized in this note as follows:

Transition Elections

The only voluntary exemption adopted by the Fund upon transition was the ability to designate financial assets or financial liability at fair value through profit or loss upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, Investment Companies.

Classification of Redeemable Units Issued by the Fund

Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, IAS 32 requires that units of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Fund's units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

Reconciliation of investments income as previously reported under Canadian GAAP to IFRS

Equity and Fixed Income Investments		**December 31, 2013**		**January 1, 2013**
Equity and fixed Income Investments as reported under Canadian GAAP	$	122,080,775	$	129,155,885
Revaluation of investments at fair value through profit or loss		225,068		310,599
Net assets attributable to holders of redeemable units	**$**	**121,305,843**	**$**	**129,466,484**

Comprehensive Income		**Year ended December 31, 2013**
Comprehensive income as reported under Canadian GAAP	$	20,493,089
Revaluation of investments at fair value through profit or loss		(85,533)
Increase in Net Assets attributable to holders of redeemable units	**$**	**20,407,556**

Revaluation of investments at Fair Value through Profit or Loss

Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments – Recognition and Measurement, which required the use of bid prices for long positions and ask prices for short positions; to the extent such prices are available. Under IFRS, the Fund measures the fair values of its investments using the guidance in IFRS 13, Fair Value Measurement (IFRS 13), which requires that if an asset or a liability has a bid price and an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. As a result, upon adoption of IFRS adjustment was recognized to increase the carrying amount of the Fund's investments by $310,599 at January 1, 2013 and $225,066 as at December 31, 2013. The impact of this adjustment was to decrease the Fund's increase (decrease) in Net Assets attributable to holders of redeemable units by ($85,533) for the year ended December 31, 2013.

Reclassification adjustments

In addition to the measurement adjustments noted above, the Fund reclassified amounts upon transition in order to conform to its financial statement presentation under IFRS. Withholding taxes of $42,864 for the year ended December 31, 2013 which were previously netted against dividend income, interest income and securities lending income under Canadian GAAP, have been reclassified and presented separately under IFRS.

19. WITHHOLDING TAXES

The Fund incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate line item in the Statements of Comprehensive Income (Loss).

20. FINANCIAL INSTRUMENTS BY CATEGORY

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the years ended December 31, 2014 and 2013.

	Net gains (losses)	
Net gains (losses) on financial instruments at FVTPL	**December 31, 2014**	December 31, 2013
Financial Assets and Liabilities at FVTPL:		
Held for Trading	(3,050,577)	(2,366,819)
Designated at inception	12,951,532	23,451,311
Total financial assets and liabilities at FVTPL	9,900,955	21,084,492

21. OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund entered into various master netting arrangements in connection with its Forward Currency Contracts. These agreements do meet the criteria for offsetting in the Statements of Financial Position and allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table presents the recognized financial instruments that are offset, or subject to enforceable master netting agreements or other similar agreements, as at December 31, 2014, December 31, 2013 and January 1, 2013. The "Net" column shows what the impact on the Fund's Statements of Financial Position would be if all set-off rights were exercised.

As at December 31, 2014

	Gross Amount Assets	Gross Amount Liabilities	Net	Amounts not offset	Net
Derivative Assets	$ –	$ –	$ –	$ –	$ –
Derivative Liabilities	6,298	(962,526)	(956,228)	–	(956,228)
Net					**(956,228)**

Financial assets and liabilities	Amounts offset			Amounts not offset		Net
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
Counterparty						
Bank of Nova Scotia	–	(168,945)	(168,945)	–	–	(168,945)
Canadian Imperial Bank Canada	6,298	(275,177)	(268,879)	–	–	(268,879)
Royal Bank of Canada	–	(518,404)	(518,404)	–	–	(518,404)
Net						**(956,228)**

As at December 31, 2013

	Gross Amount Assets	Gross Amount Liabilities	Net	Amounts not offset	Net
Derivative Assets	–	–	–	–	–
Derivative Liabilities	51,013	(784,663)	(733,650)	–	(733,650)
Net					**(733,650)**

Financial assets and liabilities	Amounts offset			Amounts not offset		Net
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
Counterparty						
Bank of Nova Scotia	51,013	(133,661)	(82,648)	–	–	(82,648)
Canadian Imperial Bank Canada	-	(43,364)	(43,364)	–	–	(43,364)
Royal Bank of Canada	-	(607,638)	(607,638)	–	–	(607,638)
Net						**(733,650)**

As at January 01, 2013

	Gross Amount Assets	Gross Amount Liabilities	Net	Amounts not offset	Net
Derivative Assets	201,558	–	201,558	–	201,558
Derivative Liabilities	–	–	–	–	–
Net					(956,228)

Financial assets and liabilities	Amounts offset			Amounts not offset		Net
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	Cash collateral received	
Counterparty						
Royal Bank of Canada	201,558	–	201,558	–	–	201,558
Net						**(201,558)**

CORPORATE INFORMATION

Independent Review Committee

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Chairman

C. Scott Browning

Robert Falconer

Joseph H. Wright

Directors and Senior Officers of the Manager

Eric Tremblay
Director and Chief Executive Officer

Ben Cheng[1]
Co-Chief Investment Officer

W. Neil Murdoch
Director and President

Larry W. Titley
Director, Senior Vice President and Chief Financial Officer

Portfolio Management

Jeffrey Burchell
Co-Chief Investment Officer and Portfolio Manager

Andrew Hamlin
Vice President and Portfolio Manager

Joanne Hruska
Vice President and Portfolio Manager

John Kim
Portfolio Manager

Vivian Lo
Vice President and Portfolio Manager

Barry Morrison
Portfolio Manager

Steve Vannatta
Portfolio Manager

Manager

Aston Hill Asset Management Inc.

Transfer Agent and Trustee

Computershare Trust Company of Canada

Custodian

RBC Investor Services Trust

Auditors

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[1] Mr. Cheng acts as a portfolio manager exclusively to investment funds managed by IA Clarington Investments Inc., and to two other investment funds, not including the fund in this document. See www.astonhill.ca for details.

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