

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

## **Aston Hill Mutual Funds**

### **AMENDMENT NO. 1 DATED OCTOBER 9, 2015 TO THE SIMPLIFIED PROSPECTUS DATED AUGUST 28, 2015**

Aston Hill North American Dividend Fund

Series A, F and I units

Aston Hill North American Dividend Class\*

Series A, TA6, F, TF6 and I shares

\* A class of shares of Aston Hill Corporate Funds Inc.

#### **Summary of Amendments**

As approved by the unitholder of the Aston Hill North American Dividend Fund (the "NA Dividend Fund") and Aston Hill North American Dividend Class (the "NA Dividend Class") (each a "Fund" and collectively, the "Funds") on October 9, 2015, effective on or about October 13, 2015, the following amendments have been made to each of the Funds:

1. The NA Dividend Fund has amended its investment objective in order to expand the types of securities and the geographical location of the securities permitted to be owned by the Fund;
2. The NA Dividend Fund has amended its investment strategy to correspond with the change in investment objectives;
3. The management fees for Series A units of NA Dividend Fund have been reduced to 1.90% per annum and the management fee for Series F units of NA Dividend Fund have been reduced to 0.90%;
4. The NA Dividend Fund has changed its legal name to "Aston Hill High Income Fund";
5. The NA Dividend Class has amended its investment objective in order to expand the types of securities and the geographical location of the securities permitted to be owned by the Fund;
6. The NA Dividend Class has amended its investment strategy to correspond with the change in investment objectives;
7. The management fees for Series A and Series TA6 shares of NA Dividend Class have been reduced to 1.90% per annum and the management fee for Series F and Series TF6 shares of NA Dividend Class have been reduced to 0.90%; and
8. The NA Dividend Class has changed its legal name to "Aston Hill High Income Class".

The Simplified Prospectus of the Funds dated August 28, 2015, should be read subject to the information in this Amendment No. 1. All capitalized terms used in this Amendment No. 1 have the respective meanings given to such terms in the Simplified Prospectus, unless otherwise specifically defined in this Amendment No. 1.

## **1. Change of Investment Objectives**

### ***NA Dividend Fund***

Following unitholder approval on October 9, 2015, effective on or about October 13, 2015, the NA Dividend Fund's new investment objectives are to generate a high level of income and long-term capital growth by investing primarily in a mix of income-producing securities, including but not limited to, equity securities, common and preferred shares, real estate investment trusts (REITs), convertible securities, investment grade fixed income securities, higher yielding, lower quality fixed income securities, floating rate debt instruments and asset-backed securities and mortgage-backed securities, which may be located anywhere in the world.

### ***NA Dividend Class***

Following unitholder approval on October 9, 2015, effective on or about October 13, 2015, the NA Dividend Class's new investment objectives are to generate a high level of income and long-term capital growth by investing primarily in a mix of income-producing securities, including but not limited to, equity securities, common and preferred shares, real estate investment trusts (REITs), convertible securities, investment grade fixed income securities, higher yielding, lower quality fixed income securities, floating rate debt instruments and asset-backed securities and mortgage-backed securities, which may be located anywhere in the world. The fund may also invest in other mutual funds.

## **2. Change of Investment Strategies**

### ***NA Dividend Fund***

To achieve its objective, the portfolio advisor will actively manage the equity, fixed income, and cash components of the fund. The fund is not limited to how much it invests in each asset class. This will vary according to market conditions. The portfolio advisor decides how much of the fund's assets are invested in equity and fixed income securities according to market conditions. The fund intends to invest between 50% and 100% of its assets in foreign securities.

Income-producing securities may include, but are not limited to, equity securities, common and preferred shares, real estate investment trusts (REITs), convertible securities, investment grade fixed income securities, higher yielding, lower quality fixed income securities, floating rate debt instruments and asset-backed securities and mortgage-backed securities. The Fund can invest in these securities either directly or indirectly through investments in underlying funds.

When buying and selling equity securities, the portfolio advisor examines each company's potential for success in light of its current financial condition, its industry and position within

the industry and economic and market conditions. The portfolio advisor focuses primarily on a company's financial stability, potential to generate sustainable return on equity over time and valuation when deciding whether or not to invest in the company. The portfolio advisor invests in companies believed to be undervalued in the marketplace in relation to factors such as the company's assets, sales, earnings, growth potential, cash flow, or in relation to secretaries of other companies in the same industry. The portfolio advisor also considers factors such as balance sheet strength, earnings estimates, ability to pay dividends and quality of management.

Fixed income securities may include foreign corporate and government fixed income securities. The fund may invest in corporate bonds that have a low credit rating or are unrated, but offer a higher yield than investment grade bonds. It may also invest in bank loans and floating rate debt instruments. These investments may be denominated in or have exposure to foreign currencies.

When buying and selling fixed income securities, the portfolio advisor analyzes the security's feature, its current price compared to its estimated long-term value, the credit quality of the issuer and any short-term trading opportunities resulting from market inefficiencies. An analysis of credit quality will consider balance sheet strength of the issuer, company leverage ratios, stability of income, management strength and track record, and risks to the issuer that may impair its ability to meet its obligations to debtholders. The portfolio advisor selects the maturity of each investment according to market conditions.

When buying and selling high yield securities, the portfolio advisor relies on fundamental analysis of each issuer and its potential in view of its current financial condition, its industry position and economic and market conditions. The portfolio advisor considers a security's features and current price compared to its estimated long-term value, and the earnings potential, credit standing and management of the security's issuer. The portfolio advisor may invest in high yield securities that do not produce income, including defaulted securities and common stock or in companies in a troubled or uncertain financial condition.

The portfolio advisor may also choose to:

- use warrants and derivatives such as options, futures, forward contracts and swaps to:
  - hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies
  - gain exposure to individual securities and markets instead of buying the securities directly.
- enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income for the fund (see "What does the fund invest in?" on page 30 in Part A of the simplified prospectus).
- temporarily hold cash or cash-equivalent securities for strategic reasons.

The fund will only use derivatives as permitted by securities regulations (see "What does the fund invest in?" on page 29 of the simplified prospectus).

The fund may obtain exposure, on some or all of its assets, to securities of other mutual funds (see “What does the fund invest in?” on page 29 of the simplified prospectus).

The fund also may engage in short selling as permitted by securities regulations. In determining whether securities of a particular issuer should be sold short, the portfolio advisor uses the same analysis that is described above for deciding whether to purchase the securities. The fund will engage in short selling as a complement to the fund’s current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to “What does the fund invest in” on page 30 of the simplified prospectus.

### *NA Dividend Class*

To achieve its objective, the portfolio advisor will actively manage the equity, fixed income, and cash components of the fund. The fund is not limited to how much it invests in each asset class. This will vary according to market conditions. The portfolio advisor decides how much of the fund’s assets are invested in equity and fixed income securities according to market conditions. The fund intends to invest between 50% and 100% of its assets in foreign securities.

Income-producing securities may include, but are not limited to, equity securities, common and preferred shares, real estate investment trusts (REITs), convertible securities, investment grade fixed income securities, higher yielding, lower quality fixed income securities, floating rate debt instruments and asset-backed securities and mortgage-backed securities. The Fund can invest in these securities either directly or indirectly through investments in underlying funds.

When buying and selling equity securities, the portfolio advisor examines each company’s potential for success in light of its current financial condition, its industry and position within the industry and economic and market conditions. The portfolio advisor focuses primarily on a company’s financial stability, potential to generate sustainable return on equity over time and valuation when deciding whether or not to invest in the company. The portfolio advisor invests in companies believed to be undervalued in the marketplace in relation to factors such as the company’s assets, sales, earnings, growth potential, cash flow, or in relation to secretaries of other companies in the same industry. The portfolio advisor also considers factors such as balance sheet strength, earnings estimates, ability to pay dividends and quality of management.

Fixed income securities may include foreign corporate and government fixed income securities. The fund may invest in corporate bonds that have a low credit rating or are unrated, but offer a higher yield than investment grade bonds. It may also invest in bank loans and floating rate debt instruments. These investments may be denominated in or have exposure to foreign currencies.

When buying and selling fixed income securities, the portfolio advisor analyzes the security’s feature, its current price compared to its estimated long-term value, the credit quality of the issuer and any short-term trading opportunities resulting from market inefficiencies. An analysis of credit quality will consider balance sheet strength of the issuer, company leverage ratios, stability of income, management strength and track record, and risks to the issuer that may impair its ability to meet its obligations to debtholders. The portfolio advisor selects the maturity of each investment according to market conditions.

When buying and selling high yield securities, the portfolio advisor relies on fundamental analysis of each issuer and its potential in view of its current financial condition, its industry position and economic and market conditions. The portfolio advisor considers a security's features and current price compared to its estimated long-term value, and the earnings potential, credit standing and management of the security's issuer. The portfolio advisor may invest in high yield securities that do not produce income, including defaulted securities and common stock or in companies in a troubled or uncertain financial condition.

The portfolio advisor may also choose to:

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  - hedge against losses from changes in the prices of the fund's investments and from exposure to foreign currencies
  - gain exposure to individual securities and markets instead of buying the securities directly.
- enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, to the extent permitted by the securities regulations, to earn additional income for the fund (see "What does the fund invest in?" on page 30 in Part A of the simplified prospectus).
- temporarily hold cash or cash-equivalent securities for strategic reasons.

The fund will only use derivatives as permitted by securities regulations (see "What does the fund invest in?" on page 29 of the simplified prospectus).

The fund may obtain exposure, on some or all of its assets, to securities of other mutual funds (see "What does the fund invest in?" on page 29 of the simplified prospectus).

The fund also may engage in short selling as permitted by securities regulations. In determining whether securities of a particular issuer should be sold short, the portfolio advisor uses the same analysis that is described above for deciding whether to purchase the securities. The fund will engage in short selling as a complement to the fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. For a more detailed description of short selling and the limits within which the fund may engage in short selling, please refer to "What does the fund invest in?" on page 30 of the simplified prospectus.

### **3. Change of Name**

#### ***NA Dividend Fund***

Effective on or about October 13, 2015, the legal name of NA Dividend Fund has changed to "Aston Hill High Income Fund".

#### ***NA Dividend Class***

Effective on or about October 13, 2015, the legal name of NA Dividend Class has changed to "Aston Hill High Income Class".

#### **4. Change of Management Fees**

##### ***NA Dividend Fund***

Effective on or about October 13, 2015, the management fee for Series A units of NA Dividend Fund is reduced to 1.90% per annum and the management fee for Series F units of NA Dividend Fund have been reduced to 0.90%;

##### ***NA Dividend Class***

Effective on or about October 13, 2015, the management fee for Series A and TA6 shares of NA Dividend Class are reduced to 1.90% per annum and the management fee for Series F and Series TF6 shares of NA Dividend Class have been reduced to 0.90%.

#### **5. What are Your Legal Rights?**

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving this Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages if a simplified prospectus, annual information form or financial statements misrepresent any facts about the mutual funds. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

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You can find additional information about each fund in the fund's Fund Facts, annual information form, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this document just as if they were printed in it.

You can get a copy of these documents at your request and at no cost, by calling 1-800-513-3868 or by e-mailing [info@astonhill.ca](mailto:info@astonhill.ca), or by asking your financial advisor.

These documents and other information about the funds, such as information circulars and material contracts, are also available at the Aston Hill Asset Management Inc. website at [www.astonhill.ca](http://www.astonhill.ca) or at [www.sedar.com](http://www.sedar.com).

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