

ASTON HILL OPPORTUNITIES FUND

Financial Statements

December 31, 2015



March 29, 2016

Independent Auditor's Report

**To the Unitholders of
Aston Hill Opportunities Fund
(the Fund)**

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at December 31, 2015 and 2014 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, 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

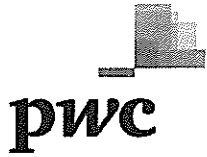
Our responsibility is to express an opinion on the financial statements of the Fund based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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.

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*PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the financial statements of the Fund present fairly, in all material respects, the financial position of the Fund as at December 31, 2015 and 2014 and the financial performance and cash flows of the Fund for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

ASTON HILL OPPORTUNITIES FUND
STATEMENTS OF FINANCIAL POSITION

As at December 31

2015

2014

Assets

Current assets

Financial assets at fair value through profit or loss	\$	2,592,884	\$	10,643,594
Short-term investments		-		8,374,873
Cash		4,114,232		1,606,723
Subscription receivable		-		119,411
Broker margin (note 13)		2,942,618		2,210,519
Forward currency contracts		25,612		1,509
Option contracts		897		34,087
Due from broker		-		2,640,782
Dividends receivable		2,884		10,386
Interest receivable		19		7,066
Due from Manager		292		14,836
Total assets		9,679,438		25,663,786

Liabilities

Current liabilities

Financial liabilities at fair value through profit or loss		1,848,898		2,677,354
Forward currency contracts		296,104		227,809
Option contracts		13,270		11,901
Due to broker		-		2,208,967
Management fees payable		5,525		4,798
Performance fees payable		-		154,077
Accounts payable and accrued liabilities		34,070		56,682
Dividends payable		3,089		2,152
Redemptions payable		625		-
Total liabilities		2,201,581		5,343,740

Net Assets attributable to holders of redeemable units	\$	7,477,857	\$	20,320,046
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Net Assets attributable to holders of redeemable units per series

Series A	\$	1,185,152	\$	4,561,939
Series F	\$	1,176,519	\$	9,851,141
Series Y	\$	2,957,992	\$	3,190,508
Series Z	\$	2,158,194	\$	2,716,458

Units outstanding per series (note 6)

Series A		33,060		121,336
Series F		30,215		243,345
Series Y		71,556		74,428
Series Z		57,577		69,098

Net Assets attributable to holders of redeemable units per series per unit

Series A	\$	35.85	\$	37.60
Series F	\$	38.94	\$	40.48
Series Y	\$	41.34	\$	42.87
Series Z	\$	37.48	\$	39.31

Approved on behalf of the Manager, Aston Hill Asset Management Inc.



Derek Slemko
Chief Operating Officer



Kal Zakarneh
Chief Financial Officer

ASTON HILL OPPORTUNITIES FUND
STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31	2015	2014
Income		
Securities lending income (note 14)	\$ 2,398	\$ 839
Net foreign currency gain (loss) on cash	800,967	293,542
Change in unrealized appreciation (depreciation) on cash	111,668	25,395
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Dividends	118,723	112,121
Interest for distribution purpose	48,152	117,506
Dividends paid on investments sold short	(43,849)	(30,221)
Net realized gain (loss) on investments	1,216,871	2,160,333
Realized gain (loss) on foreign currency forward contracts	(1,348,513)	(305,105)
Realized gain (loss) on option contracts	(131,324)	(10,066)
Change in unrealized appreciation (depreciation) on investments	(485,035)	(57,554)
Change in unrealized appreciation (depreciation) on foreign currency forward contracts	(44,192)	(161,684)
Change in unrealized appreciation (depreciation) on option contracts	(6,951)	(2,660)
Total income	238,915	2,142,446
Expenses		
Management fees (note 7)	247,885	228,798
Performance fees (note 7)	-	152,513
Administration fees (note 7)	4,616	4,300
Legal fees	813	21,247
Audit fees	21,465	32,115
Unitholder reporting costs	92,677	60,376
Custody fees	40,434	19,208
Interest and bank charges	10,983	68
Securities borrowing fees	21,738	8,154
Withholding taxes	15,638	16,376
Transaction costs (note 16)	52,416	35,847
	508,665	579,002
Expenses reimbursed by Manager (note 7)	(292)	(21,661)
Total expenses	508,373	557,341
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations	(269,458)	1,585,105
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations per series		
Series A	\$ (71,462)	\$ 285,568
Series F	\$ 18,146	\$ 679,630
Series Y	\$ (109,004)	\$ 340,644
Series Z	\$ (107,138)	\$ 279,263
Weighted average number of units outstanding for the year		
Series A	86,470	76,287
Series F	183,321	169,325
Series Y	73,489	75,975
Series Z	64,874	75,405
Increase (decrease) in Net Assets attributable to holders of redeemable units from operations per unit⁽¹⁾		
Series A	\$ (0.83)	\$ 3.74
Series F	\$ 0.10	\$ 4.01
Series Y	\$ (1.48)	\$ 4.48
Series Z	\$ (1.65)	\$ 3.70

⁽¹⁾ Based on the weighted average number of units outstanding for the year.

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

ASTON HILL OPPORTUNITIES FUND
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS

Series A

For the years ended December 31	2015	2014
Net Assets attributable to holders of redeemable units, beginning of year	\$ 4,561,939	\$ 1,041,194
Increase (decrease) in Net Assets attributable to holders of redeemable units	(71,462)	285,568
Redeemable unit transactions:		
Proceeds from redeemable units issued	1,618,949	3,298,850
Reinvestments of distributions to holders of redeemable units	2,155	754
Redemption of redeemable units	(4,924,161)	(63,842)
	(3,303,057)	3,235,762
Distributions to holders of redeemable units:		
From income	-	(585)
Return of capital	(2,268)	-
	(2,268)	(585)
Net increase (decrease) in Net Assets attributable to holders of redeemable units	(3,376,787)	3,520,745
Net Assets attributable to holders of redeemable units, end of year	\$ 1,185,152	\$ 4,561,939

Series F

For the years ended December 31	2015	2014
Net Assets attributable to holders of redeemable units, beginning of year	\$ 9,851,141	\$ 3,159,967
Increase (decrease) in Net Assets attributable to holders of redeemable units	18,146	679,630
Redeemable unit transactions:		
Proceeds from redeemable units issued	3,999,111	6,127,278
Reinvestments of distributions to holders of redeemable units	3,530	285
Redemption of redeemable units	(12,691,730)	(115,883)
	(8,689,089)	6,011,680
Distributions to holders of redeemable units:		
From income	-	(136)
Return of capital	(3,679)	-
	(3,679)	(136)
Net increase (decrease) in Net Assets attributable to holders of redeemable units	(8,674,622)	6,691,174
Net Assets attributable to holders of redeemable units, end of year	\$ 1,176,519	\$ 9,851,141

Series Y

For the years ended December 31	2015	2014
Net Assets attributable to holders of redeemable units, beginning of year	\$ 3,190,508	\$ 3,004,194
Increase (decrease) in Net Assets attributable to holders of redeemable units	(109,004)	340,644
Redeemable unit transactions:		
Proceeds from redeemable units issued	-	-
Reinvestments of distributions to holders of redeemable units	476	448
Redemption of redeemable units	(123,507)	(154,374)
	(123,031)	(153,926)
Distributions to holders of redeemable units:		
From income	-	(404)
Return of capital	(481)	-
	(481)	(404)
Net increase (decrease) in Net Assets attributable to holders of redeemable units	(232,516)	186,314
Net Assets attributable to holders of redeemable units, end of year	\$ 2,957,992	\$ 3,190,508

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

ASTON HILL OPPORTUNITIES FUND
STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO
HOLDERS OF REDEEMABLE UNITS (continued)

Series Z

For the years ended December 31	2015	2014
Net Assets attributable to holders of redeemable units, beginning of year	\$ 2,716,458	\$ 3,013,826
Increase (decrease) in Net Assets attributable to holders of redeemable units	(107,138)	279,263
Redeemable unit transactions:		
Proceeds from redeemable units issued	-	-
Reinvestments of distributions to holders of redeemable units	-	-
Redemption of redeemable units	(451,126)	(576,631)
	(451,126)	(576,631)
Distributions to holders of redeemable units:		
From income	-	-
Return of capital	-	-
	-	-
Net increase (decrease) in Net Assets attributable to holders of redeemable units	(558,264)	(297,368)
Net Assets attributable to holders of redeemable units, end of year	\$ 2,158,194	\$ 2,716,458

Fund Total

For the years ended December 31	2015	2014
Net Assets attributable to holders of redeemable units, beginning of year	\$ 20,320,046	\$ 10,219,181
Increase (decrease) in Net Assets attributable to holders of redeemable units	(269,458)	1,585,105
Redeemable unit transactions:		
Proceeds from redeemable units issued	5,618,060	9,426,128
Reinvestments of distributions to holders of redeemable units	6,161	1,487
Redemption of redeemable units	(18,190,524)	(910,730)
	(12,566,303)	8,516,885
Distributions to holders of redeemable units:		
From income	-	(1,125)
Return of capital	(6,428)	-
	(6,428)	(1,125)
Net increase (decrease) in Net Assets attributable to holders of redeemable units	(12,842,189)	10,100,865
Net Assets attributable to holders of redeemable units, end of year	\$ 7,477,857	\$ 20,320,046

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

ASTON HILL OPPORTUNITIES FUND
STATEMENTS OF CASH FLOWS

For the years ended December 31	2015	2014
Cash flows from operating activities		
Increase (decrease) in Net Assets attributable to holders of redeemable units	\$ (269,458)	\$ 1,585,105
Adjustments to reconcile to operating cash flows:		
Net realized (gain) loss on sale of investments	(1,216,871)	(2,160,333)
Change in unrealized (appreciation) depreciation on cash	(111,668)	(25,395)
Change in unrealized (appreciation) depreciation on investments	485,035	57,554
Change in unrealized (appreciation) depreciation on foreign currency forward contracts	44,192	161,684
Change in unrealized (appreciation) depreciation on option contracts	6,951	2,660
Proceeds from investments sold	64,327,911	30,049,791
Purchase of investments	(47,539,525)	(36,190,876)
(Increase) decrease in due from manager	14,544	(14,836)
(Increase) decrease in dividends receivable	7,502	(6,313)
(Increase) decrease in interest receivable	7,047	(3,645)
Increase (decrease) in dividends payable on investments sold short	937	1,610
Increase (decrease) in management fees payable	727	(4,276)
Increase (decrease) in performance fees payable	(154,077)	63,249
Increase (decrease) in accounts payable and accrued liabilities	(22,612)	17,231
(Increase) decrease in broker margin	(732,099)	(1,681,594)
Cash flows from (used in) operating activities	14,848,536	(8,148,384)
Cash flows from financing activities		
Proceeds from redeemable units issued	5,737,471	9,852,917
Redemption of redeemable units	(18,189,899)	(938,606)
Distributions paid to holders of redeemable units, net of reinvested distributions	(267)	362
Cash flows from (used in) financing activities	(12,452,695)	8,914,673
Increase (decrease) in cash during the year	2,395,841	766,289
Change in unrealized appreciation (depreciation) on cash	111,668	25,395
Cash, beginning of year	1,606,723	815,039
Cash, end of year	\$ 4,114,232	\$ 1,606,723
Supplementary Information		
Dividends received, net of withholding taxes	\$ 110,608	\$ 89,441
Interest received	\$ 55,178	\$ 113,852
Dividends paid	\$ 42,912	\$ 28,611
Interest paid	\$ 10,983	\$ 68

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

ASTON HILL OPPORTUNITIES FUND
SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2015

Face Value /							
Currency	No. of Shares		Coupon Rate	Maturity Date	Cost	Fair Value	Percentage of Net Assets %
Fixed-income investments							
Domestic bonds							
	88,300	Emera Inc.	4.000%	September 29, 2025	\$ 29,404	\$ 30,375	
Total Domestic bonds					29,404	30,375	0.4%
High Yield Bonds							
USD	30,000	Crumbs Bake Shop Inc. ⁽¹⁾	10.000%	April 10, 2018	30,096	-	
Total High Yield Bonds					30,096	-	0.0%
Total Fixed income investments					59,500	30,375	0.4%
Equities - Long							
Materials							
NLG	300	Akzo Nobel NV			28,613	27,922	
USD	400	Sealed Air Corp.			23,497	24,782	
Total Materials					52,110	52,704	0.7%
Energy							
	5,000	Enbridge Inc.			69,405	80,800	
USD	1,300	Halliburton Co.			66,490	61,471	
USD	500	Hess Corp.			34,956	33,672	
Total Energy					170,851	175,943	2.4%
Industrials							
	150	Canadian Pacific Railway Ltd.			25,576	26,510	
USD	400	Covenant Transportation Group Inc.			9,974	10,496	
USD	2,500	HD Supply Holdings Inc.			96,512	104,286	
IEP	200	Ingersoll-Rand PLC			15,518	15,361	
USD	200	Kirby Corp.			15,175	14,619	
USD	600	Knight Transportation Inc.			19,576	20,195	
NLG	2,000	Koninklijke Philips NV			67,711	71,103	
USD	200	Old Dominion Freight Line Inc.			17,413	16,411	
FRF	1,000	Rexel SA			18,431	18,530	
USD	100	Union Pacific Corp.			10,533	10,863	
USD	200	WESCO International Inc.			11,393	12,135	
Total Industrials					307,812	320,509	4.3%
Consumer discretionary							
USD	100	Dollar General Corp.			10,001	9,983	
USD	300	Expedia Inc.			51,369	51,800	
USD	3,400	Hanesbrands Inc.			134,787	138,996	
USD	100	LKQ Corp.			4,064	4,116	
USD	7,500	ONE Group Hospitality Inc., Warrants, Expiry Oct/03/2016			-	208	
	8,414	Park Lawn Corp.			97,011	100,547	
Total Consumer discretionary					297,232	305,650	4.1%
Consumer staples							
	3,000	Cott Corp.			42,705	45,720	
USD	315	Crumbs Bake Shop Inc.			3	11	
USD	800	CVS Health Corp.			102,509	108,650	
USD	100	Mondelez International Inc.			6,267	6,229	
Total Consumer staples					151,484	160,610	2.1%

⁽¹⁾ Level 3 financial assets (note 9)

ASTON HILL OPPORTUNITIES FUND
SCHEDULE OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2015

Face Value /						Percentage of Net	
Currency	No. of Shares		Coupon Rate	Maturity Date	Cost	Fair Value	Assets %
Healthcare							
USD	2,116	Boston Scientific Corp.			\$ 46,300	\$ 54,201	
	1,536,000	ConjuChem biotechnologies Inc. ⁽¹⁾			161,280	154	
IEP	500	Medtronic PLC			48,181	53,425	
USD	600	Zimmer Biomet Holdings Inc.			74,395	85,505	
Total Healthcare					330,156	193,285	2.6%
Financials							
USD	100	Apartment Investment & Management Co.			5,501	5,561	
USD	5,000	Bank of America Corp.			102,034	116,893	
	200	Canadian Apartment Properties REIT			5,461	5,368	
USD	2,200	Citigroup Inc.			149,730	158,149	
	1,500	Manulife Financial Corp.			31,605	31,110	
USD	50	Mid-America Apartment Communities Inc.			6,315	6,307	
USD	5,200	Synchrony Financial			206,300	219,661	
	1,000	Toronto-Dominion Bank			55,010	54,240	
Total Financials					561,956	597,289	8.0%
Information technology							
USD	4,000	Cisco Systems Inc.			140,434	150,884	
BMD	700	Genpact Ltd.			23,428	24,290	
USD	100	M/A-COM Technology Solutions Holdings Inc.			5,536	5,680	
USD	2,500	ON Semiconductor Corp.			35,429	34,033	
USD	500	Oracle Corp.			26,262	25,372	
USD	1,400	Visa Inc.			132,554	150,815	
USD	1,700	Western Digital Corp.			149,697	141,806	
Total Information technology					513,340	532,880	7.1%
Telecommunication Services							
USD	3,000	AT&T Inc.			131,442	143,397	
	1,000	BCE Inc.			55,477	53,460	
	700	TELUS Corp.			26,692	26,782	
Total Telecommunication Services					213,611	223,639	3.0%
Total Equities - Long					2,598,552	2,562,509	34.3%
Total Long investments					2,658,052	2,592,884	34.7%
Equities - Short							
Consumer Discretionary							
USD	(300)	AutoNation Inc.			(24,726)	(24,862)	
USD	(40)	O'Reilly Automotive Inc.			(14,072)	(14,080)	
Total Consumer Discretionary					(38,798)	(38,942)	-0.5%
Consumer Staples							
USD	(200)	Sysco Corp.			(11,508)	(11,391)	
Total Consumer Staples					(11,508)	(11,391)	-0.2%
Information technology							
USD	(200)	International Business Machines Corp.			(36,436)	(38,234)	
Total Information technology					(36,436)	(38,234)	-0.5%
Industrials							
USD	(200)	3M Co.			(41,673)	(41,851)	
USD	(200)	Applied Industrial Technologies Inc.			(10,769)	(11,249)	
BMD	(600)	Axalta Coating Systems Ltd.			(21,814)	(22,212)	
USD	(700)	Emerson Electric Co.			(41,147)	(46,508)	
	(2,000)	Finning International Inc.			(39,577)	(37,360)	
USD	(1,000)	General Electric Co.			(40,450)	(43,271)	
	(500)	Ritchie Bros Auctioneers Inc.			(16,793)	(16,670)	
USD	(300)	Rockwell Automation Inc.			(40,465)	(42,761)	
Total Industrials					(252,688)	(261,882)	-3.5%
Energy							
USD	(500)	Chevron Corp.			(59,981)	(62,482)	
USD	(600)	Exxon Mobil Corp.			(64,272)	(64,968)	
Total Energy					(124,253)	(127,450)	-1.7%

⁽¹⁾ Level 3 financial assets (note 9)

ASTON HILL OPPORTUNITIES FUND
SCHEDULE OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2015

Face Value /						Percentage of Net
Currency	No. of Shares	Coupon Rate	Maturity Date	Cost	Fair Value	Assets %
Materials						
USD	(150)	Martin Marietta Materials Inc.		\$ (30,393)	\$ (28,459)	
Total Materials				(30,393)	(28,459)	-0.4%
Exchange Traded Funds						
USD	(1,000)	iShares Core S&P 500 ETF		(283,058)	(284,584)	
	(5,000)	iShares S&P/TSX Capped Financials Index ETF		(148,430)	(147,900)	
USD	(3,500)	Powershares QQQ Trust Series 1		(524,932)	(543,847)	
USD	(4,000)	Technology Select Sector SPDR Fund		(236,108)	(237,981)	
Total Exchange Traded Funds				(1,192,528)	(1,214,312)	-16.3%
Financials						
USD	(100)	Capital One Financial Corp.		(10,179)	(10,027)	
USD	(1,000)	JPMorgan Chase & Co.		(82,867)	(91,722)	
USD	(200)	PNC Financial Services Group Inc.		(25,908)	(26,479)	
Total Financial				(118,954)	(128,228)	-1.7%
Total Equities - Short				(1,805,558)	(1,848,898)	-24.8%
Total investments				852,494	743,986	9.9%
Embedded broker commissions				(2,825)		
Total				\$ 849,669	\$ 743,986	9.9%
Cash					\$ 4,114,232	55.0%
Forward currency contracts					\$ (270,492)	-3.6%
Option contracts					\$ (12,373)	-0.2%
Net Other Assets (Liabilities)					\$ 2,902,504	38.8%
Net Assets Attributable to Holders of Redeemable units					\$ 7,477,857	100.0%

⁽¹⁾ Level 3 financial assets (note 9)

Schedule A

Forward Currency Contracts

As at December 31, 2015

Number of Contracts	Sold	Bought	Settlement Date	Unrealized Gain (Loss)	Counterparty	Counterparty Credit Rating
1	USD (2,989,000)	CAD 3,980,959	January 13, 2016	\$ (170,883)	CIBC	AA
1	USD (2,067,000)	CAD 2,750,578	January 13, 2016	(120,569)	Bank of Nova Scotia	AA
1	(CAD 607,791)	USD 456,000	January 13, 2016	25,612	Bank of Nova Scotia	AA
1	(CAD 1,393,710)	USD 1,000,000	January 13, 2016	(4,652)	CIBC	AA
Total				(CAD 270,492)		

ASTON HILL OPPORTUNITIES FUND

SCHEDULE OF INVESTMENT PORTFOLIO (continued)

As at December 31, 2015

Schedule B

Option Contracts

As at December 31, 2015

Underlying security	Number of Contracts	Option Type	Expiration Date	Strike Price per Contract	Current Price per Contract	Premium Paid (Received)	Fair Value	Counterparty
Micron Technology Inc	(36)	PUT	January 15, 2016	14	\$ 0.355	\$ (3,701)	\$ (1,775)	CIBC
SPDR S&P OIL & GAS	(15)	PUT	June 17, 2016	33	5.400	(6,772)	(11,251)	Citibank
Dow Chemical Co/The	(5)	PUT	January 15, 2016	45	0.080	(361)	(56)	CIBC
Sandisk	(4)	PUT	January 15, 2016	65	-	(333)	-	Citibank
L Brands Inc	(3)	PUT	January 15, 2016	90.5	0.450	(458)	(188)	CIBC
SPDR S&P OIL & GAS	15	CALL	June 17, 2016	41	0.430	5,980	896	Citibank
Micron Technology Inc	36	CALL	January 15, 2016	18	0.000	2,785	1	CIBC
						\$ (2,860)	\$ (12,373)	

ASTON HILL OPPORTUNITIES FUND

Notes to the Financial Statements

December 31, 2015

1. THE FUND

Aston Hill Opportunities Fund (the “Fund”) is an investment trust which was initially established on July 29, 2005 and currently exists under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of April 19, 2012 (the “Declaration of Trust”). Aston Hill Asset Management Inc. (“AHAM”) is the trustee (in such capacity, the “Trustee”) and the manager (in such capacity, the “Manager”) of the Fund.

The investment objective of the Fund is to seek to achieve long-term capital growth through superior selection of securities from issuers anywhere in the world.

The Fund currently offers Series A Units, Series F Units, Series Y Units and Series Z Units (together, the “Units”) are available for sale to new investors. Although the Fund is a “mutual fund” as defined in applicable securities legislation, it is not required to (and does not) operate in accordance with the requirements of National Instrument 81-102 – Mutual Funds and other regulations and policies of the Canadian securities regulators that are applicable only to public mutual funds. (Note 12)

The address of the Fund’s registered office is 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8.

These financial statements were authorized for issue by AHAM on March 29, 2016.

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”) applicable to the preparation of financial statements, 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 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 Fund’s 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies:

a) Financial Instruments

The Fund’s long position investments in equity securities and fixed income securities are designated at fair value through profit or loss (“FVTPL”) at inception. The Fund’s derivatives and investments sold short are categorized as held for trading. As a result of such designation and categorization, the Fund’s investments and derivatives are measured at FVTPL. 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) for transactions with unitholders. 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 as of the date of the event or change in circumstances given 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 and options 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

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commonly used by market participants and which make the maximum use of observable inputs. Refer to Note 9 for further information about the Fund's fair value measurements.

Written and purchased options are valued using the last traded price where that price falls within the 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 investments in securities having no quoted market value are valued at estimated fair value using valuation techniques as determined by the Manager. Estimated fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly manner over a reasonable period of time. The Manager uses estimation techniques to determine fair value, including discounted cash flows, multiples of earnings and comparison with other securities that are substantially the same. The difference between fair value and average cost, as recorded in the accounts, is shown as change in unrealized appreciation (depreciation) on investments.

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

All investment transactions are accounted for on a trade date basis. Dividend income is recorded on the ex-dividend date. The interest income for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received 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. Distributions are recorded on the ex-distribution date as a reduction of the adjusted cost of the related instrument in case of return of capital. Securities lending income is recognized upon receipt.

Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined based on the average cost basis.

Securities lending income is recognized upon receipt.

f) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in Net assets attributable to holders of redeemable units during the reporting period. A significant area requiring the use of management judgments and estimates is the valuation of non-public investments. The resulting values may differ materially from values that would have been used had a readily available market existed for the investments and the prices at which the investments may be sold.

g) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are expensed and are included in transaction costs in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

h) Foreign Currency Translation

The majority of the Fund's 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" in the Statements of Comprehensive Income.

i) Forward Currency Contracts

Forward currency contracts are valued at current fair value on each valuation date. The value is determined as the gain or loss that would be realized if, on the valuation date, the position of the forward currency contracts were closed out. Gains or losses incurred when forward currency contracts entered into by the Fund, mature or are closed out are included in net realized gain (loss) on derivative contracts in the Statements of Comprehensive Income.

j) Interest and Borrowing Fees

As a result of taking the short positions, the Fund incurs both interest expense and borrowing fees. While the use of borrowed funds can substantially improve the return on invested capital, its use may also increase the adverse impact to which the investment portfolio of the Fund may be subjected by increasing the Fund's exposure to capital risk and higher current expenses. Interest and borrowing fees are expensed to the Statements of Comprehensive Income as incurred.

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k) Account 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 Manager 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 Funds has made in preparing the financial statements:

Classification of Redeemable Units Issued by the Fund

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. A Fund with multiple series fails to meet the criteria outlined in IAS 32.16(a) and (c). Specifically, the unitholders would not be entitled to a pro rata share of the entity's Net Assets attributable to holders of redeemable units upon liquidation due to the differing series, nor would each series have identical features. Accordingly, all of the criteria in IAS 32.16 would not be met. As such, in accordance with the standard, Net Assets attributable to holders of redeemable units are presented as liability on the Statements of Financial Position.

Functional and Presentation Currency

The Fund's investors are mainly 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

The Fund holds financial instruments that are not quoted in active markets, including derivatives. 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 makers. Broker quotes are obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both owned and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 10 for further information about the fair value measurement of the Fund's financial instruments.

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 significant judgments about whether or not the business of the Funds is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial Instruments-Recognition and measurement (IAS 39). The most significant judgments made include the determination that contain investments are held-for-trading and that fair value option can be applied to those which are not.

5. 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, 2015 and 2014.

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Category	Net gains (losses)	
	2015	2014
Net gains (losses) on financial instruments at FVTPL		
Financial Assets and Liabilities at FVTPL:		
Held for Trading	(1,961,176)	(617,236)
Designated at inception	1,285,058	2,439,906
Total financial assets and liabilities at FVTPL	(676,118)	1,822,670

6. REDEEMABLE UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of Units, issuable in series, on a continuous basis. Each Unit represents an equal interest in the assets of the series of such Unit without distinction, preference or priority. The proportionate interest of each Unitholder is expressed by the number of Units and fractions thereof held by and registered in the name of each Unitholder.

Currently, the Fund offers prospective investors the opportunity to purchase Series A Units and Series F Units. Series A Units are available to all qualified investors. Series F Units are intended

for qualified investors who participate in fee -based programs through their dealer. These investors pay their dealer an annual investment advisory fee (which the investor negotiates with his or her dealer) for ongoing services. Since the Manager pays no trailer fees to dealers in these circumstances and the Fund's servicing costs are lower, the Manager charges a lower management fee to the Fund in respect of Series F Units than for Series A Units.

Reddemable units of the Fund surrendered for redemption at least 30 days prior to the last business day of each month will be redeemed at the net asset value per unit calculated on the redemption date. Redemption of units prior to the first anniversary of the purchase of such units will be subject to an early redemption fee equal to 1% of the net assets of the units so redeemed.

Series A unit transactions for the years ended December 31, 2015 and 2014 were as follows:

Series A	Number of Units	
	2015	2014
Units outstanding, beginning of year	121,336	30,405
Redeemable units issued	42,930	92,736
Redeemable units redeemed	(131,263)	(1,826)
Redeemable units issued on reinvestment	57	21
Units outstanding, end of year	33,060	121,336

Series F unit transactions for the years ended December 31, 2015 and 2014 were as follows:

Series F	Number of Units	
	2015	2014
Units outstanding, beginning of year	243,345	86,298
Redeemable units issued	98,989	160,080
Redeemable units redeemed	(312,206)	(3,040)
Redeemable units issued on reinvestment	87	7
Units outstanding, end of year	30,215	243,345

Series Y unit transactions for the years ended December 31, 2015 and 2014 were as follows:

Series Y	Number of Units	
	2015	2014
Units outstanding, beginning of year	74,428	78,291
Redeemable units issued	-	-
Redeemable units redeemed	(2,883)	(3,873)
Redeemable units issued on reinvestment	11	10
Units outstanding, end of year	71,556	74,428

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Series Z unit transactions for the years ended December 31, 2015 and 2014 were as follows:

Series Z	Number of Units	
	2015	2014
Units outstanding, beginning of year	69,098	84,668
Redeemable units issued	-	-
Redeemable units redeemed	(11,521)	(15,570)
Redeemable units issued on reinvestment	-	-
Units outstanding, end of year	57,577	69,098

7. RELATED PARTY TRANSACTIONS AND EXPENSES OF THE FUND

a) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Management Fees

Effective May 15, 2012, management fees, in accordance with the Fund's offering memorandum, are up to 2%, 1%, 1%, and 2.0% per annum of the Net Asset Value for Series A, Series F, Series Y, and Series Z units, respectively, calculated daily and paid monthly in arrears, plus applicable taxes. Out of the management fees of Series A and Series Z, the Manager pays 1.0% per annum to investment dealers in proportion to the number of units held by clients of each dealer at the end of each calendar quarter. During the year ended December 31, 2015, the Manager absorbed \$292 (2014 - \$21,661) of the Fund's expenses. There is no mandate obligation for the Manager to continue to absorb these expenses, nor is there a guarantee that these expenses will continue to be absorbed in the future.

Performance Fees

In addition, the Fund will pay to the Manager, on the last Business Day of each fiscal year of the Fund, a performance fee (the "Performance Fees") for each Unit in an amount equal to 20% of the amount by which the NAV per Unit of such Unit on such Business Day (excluding any accrued Performance Fee, but adding the aggregate amount of all distributions declared on such Unit during such fiscal year) exceeds the Performance Threshold. The "Performance Threshold" is the sum of the Starting NAV per Unit and the Hurdle Rate. The "Starting NAV per Unit" is (a) if the Unit was outstanding on the last Business Day of the previous fiscal year of the Fund, the NAV per Unit on such Business Day after deduction for any Performance Fees payable on such day, and (b) if the Unit was not outstanding on the last Business Day of the previous fiscal year of the Fund, the NAV per Unit on the subscription date for such Unit. The "Hurdle Rate" is 5% (or, for any Unit not outstanding for the full fiscal year, a proportionate amount of 5%) of the High Water Mark. The Performance Fee will be accrued monthly or for such other period as the Manager may determine, and paid yearly in arrears.

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, 2015, the Manager allocated administration expenses \$4,616 (2014 - \$4,300) to the Fund's expenses.

b) Operating Expenses

The Fund pays its own operating expenses. These expenses include legal, audit and custodial safekeeping fees, taxes, interest, operating and administrative costs, investor servicing costs and the costs for reports.

8. INDEMNIFICATION OF THE MANAGER

The Fund, in its Declaration of Fund has indemnified the Manager, its principals and their respective affiliates from all claims that may arise for (a) mistakes of judgment or for action or inaction or for losses due to such mistakes, action or inaction so long as they acted honestly and not in bad faith and reasonably believed that their conduct was in the best interests of the Fund, and (b) losses due to mistakes of judgment or the action or omission of any broker or agent of the Manager, selected, engaged or retained by the Manager, the principals or their respective affiliates.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund is exposed to a variety of financial instruments risks: portfolio concentration risk, credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the portfolio 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 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

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diversification of the investment portfolio by asset type, country, sector, and term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

a) Concentration Risk

Concentration risk is the risk associated with the exposure to any one or more particular country, asset class or security. The Manager believes that there is no significant concentration risk for the Fund due to diversification by asset class and security.

The following is a summary of concentration as at December 31, 2015 and 2014:

Sector	As a % of the Fund's Net Assets Attributable to Holders of Redeemable Units	
	2015	2014
Financials - Long	8.0%	6.8%
Information technology - Long	7.1%	0.3%
Industrials - Long	4.3%	5.8%
Consumer discretionary - Long	4.1%	17.5%
Telecommunication services - Long	3.0%	1.5%
Healthcare - Long	2.6%	11.6%
Energy - Long	2.4%	1.0%
Consumer staples - Long	2.1%	6.2%
Materials - Long	0.7%	1.7%
Fixed income investments - Long	0.4%	-
Healthcare - Short	-	(0.3%)
Consumer staples - Short	(0.2%)	(0.5%)
Materials - Short	(0.4%)	-
Consumer discretionary - Short	(0.5%)	-
Information technology - Short	(0.5%)	-
Energy - Short	(1.7%)	-
Financials - Short	(1.7%)	-
Industrials - Short	(3.5%)	(1.3%)
Exchange-traded Funds - Short	(16.3%)	(11.1%)
Net Other Assets (Liabilities)	90.1%	60.8%
	100.0%	100.00%

b) Market Risk

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.

c) Price Risk

Price risk is the risk that the fair 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). The value of each investment is influenced by the outlook of the issuer and by general economic and political conditions, as well as industry and market trends. All securities present a risk of loss of capital.

Other assets and liabilities are monetary items that are short-term in nature and therefore are not subject to significant other price risk.

As at December 31, 2015, had the fair values of the portfolio investments increased or decreased by 10%, with all other variables held constant, this would have increased or decreased net assets by approximately \$71,361 (December 31, 2014 – \$796,624). In practice, the actual trading results could differ and the difference could be material.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value of interest-bearing investments will fluctuate due to changes in prevailing levels of market interest rates. As a result, the value of that invests in debt securities and/or income Funds will be affected by changes in applicable interest rates. If interest rates fall, the fair value of existing debt securities may increase due to the increase in yield. Alternatively, if interest rates rise, the yield of existing debt securities may decrease, which may then lead to a decrease in their fair value. The magnitude of the decline will generally be greater for long-term debt securities than for short-term debt securities.

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The Fund is exposed to interest rate risk from debt instruments, the value of which fluctuates due to changes in prevailing levels of market interest rates. The Fund's exposure to interest rate risk by the fixed income debt instruments' remaining term to maturity was as follows:

As at December 31, 2015

		Less Than 1 Year		3 - 5 Years		Greater Than 5 Years		Total
Debt Instruments	\$	-	\$	-	\$	30,375	\$	30,375
As a percentage of Net assets attributable to holders of redeemable units		-		-		0.4%		0.4%

As at December 31, 2014

		Less Than 1 Year		3 - 5 Years		Greater Than 5 Years		Total
Debt Instruments	\$	8,374,873	\$	-	\$	-	\$	8,374,873
As a percentage of Net assets attributable to holders of redeemable units		41.2%		-		-		41.2%

As at December 31, 2015 and 2014, if the prevailing interest rates had risen by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, the Fund's Net assets attributable to holders of redeemable units would have decreased by approximately \$461 (December 31, 2014 – \$Nil). Similarly, if the prevailing interest rates had declined by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, the Fund's Net assets attributable to holders of redeemable units would have increased by approximately \$471 (December 31, 2014 – \$Nil). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bonds. In practice, the actual results may differ from this sensitivity analysis, and the difference could be material.

e) Currency Risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's functional currency. The value of securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following summarizes the Fund's exposure to currency risks in Canadian dollars, as at December 31, 2015:

December 31, 2015

Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Non-Monetary Instruments	Monetary Instruments	Total	Non-Monetary Instruments	Monetary Instruments	Total
	\$	117,555	\$ -	\$ 117,555	\$ 5,878	\$ -
USD dollar	373,294	823,867	1,197,161	18,665	41,193	59,858
Total	\$ 490,849	\$ 823,867	\$ 1,314,716	\$ 24,543	\$ 41,193	\$ 65,736
% of net assets attributable to holders of redeemable	6.6%	11.0%	17.6%	0.3%	0.6%	0.9%

The following summarizes the Fund's exposure to currency risks in Canadian dollars, as at December 31, 2014:

December 31, 2014

Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Non-Monetary Instruments	Monetary Instruments	Total	Non-Monetary Instruments	Monetary Instruments	Total
	\$	-	\$ -	\$ -	-	\$ -
USD dollar	8,059,387	(7,728,459)	330,928	402,969	(386,423)	16,546
Total	\$ 8,059,387	\$ (7,728,459)	\$ 330,928	\$ 402,969	\$ (386,423)	\$ 16,546
% of net assets attributable to holders of redeemable	39.7%	-38.0%	1.6%	2.0%	-19%	0.1%

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The Fund's currency exposure from other assets, which may include foreign currency denominated dividends and interest receivable, due from broker, cash on deposit and short-term interest-bearing notes. Other liabilities, which may include foreign currency denominated due to broker balances.

f) Credit Risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of a debt instrument includes consideration for the creditworthiness of the debt issuer. The credit risk exposure of the Fund's other assets is represented by their carrying amount as disclosed in the Statements of Financial Position.

Credit ratings for debt securities, preferred securities and derivative instruments are obtained from Standard & Poor's, where available; otherwise, ratings are obtained from Moody's Investors Service, Dominion Bond Rating Services or Canadian Bond Rating Services.

The Fund's primary credit risk is fixed income, short-term debt securities. The Manager performs ongoing credit risk evaluation of counterparties.

As at December 31, 2015 and 2014, the Fund was invested in debt securities with the following credit ratings:

Debt Securities by S&P Rating as a % of Net Assets attributable to holders of redeemable units	December 31, 2015	December 31, 2014
AAA	-	41.2%
Non rated	0.4%	-
Total	0.4%	41.2%

All transactions in listed securities are settled for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

g) Liquidity Risk

Liquidity risk is the risk 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 majority of its asset 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 Schedule of Investment Portfolio of the Fund identifies securities for which a market quotation could not be obtained and may be illiquid if applicable. As at December 31, 2015, the Fund had \$4,114,232 (December 31, 2014 - \$1,606,723) in cash on hand to meet its short-term obligations.

The Fund's accounts payable and accrued liabilities are generally due within 90 days. The amounts in the tables are the contractual undiscounted amounts.

Financial liabilities as at December 31, 2015	Less Than 3 Months		Total
Forward currency contracts	\$	296,104	\$ 296,104
Option contracts		13,270	13,270
Management fees payable		5,525	5,525
Accounts payable and accrued liabilities		34,070	34,070
Dividends payable		3,089	3,089
Redemptions payable		625	625
Total	\$	352,683	\$ 352,683
Financial liabilities as at December 31, 2014	Less Than 3 Months		Total
Forward currency contracts	\$	227,809	\$ 227,809
Option contracts		11,901	11,901
Due to brokers		2,208,967	2,208,967
Management fees payable		4,798	4,798
Performance fees payable		154,077	154,077
Accounts payable and accrued liabilities		56,682	56,682
Dividends payable		2,152	2,152
Total	\$	2,666,386	\$ 2,666,386

10. FAIR VALUE MEASUREMENTS

The Fund uses a fair value hierarchy that reflects the significance of the inputs used in making fair value measurements. The hierarchy has the following levels: quoted prices in an active market (level 1 – unadjusted inputs); observable inputs other than quoted prices (level 2 – directly or indirectly derived from quoted prices); and inputs not based on observable market data (level 3 – unobservable inputs).

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All fair value measurements are recurring. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

a) 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.

b) Options and warrants

Options and warrants that are actively traded on an exchange are classified as level 1. Where the options and warrants are traded over the counter and the inputs into the fair value are based on reliable observable market date they are classified as level 2. When a significant portion of the fair valuation is based on inputs which are not observable the options and warrants are classified as level 3.

c) Fixed Income Investments

Bonds include primarily government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

d) Short-term Investments

Short-term investments are classified as level 2 and not traded.

e) Forward Currency Contracts

Forward currency contracts which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

The following is a summary of the inputs used as at December 31, 2015 and 2014 in valuing the Fund's investments carried at fair values:

December 31, 2015

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Equities	2,562,136	11	154	2,562,301
Fixed income investments	-	30,375	-	30,375
Warrants	-	208	-	208
Total Financial Assets	2,562,136	30,594	154	2,592,884
Other financial instruments				
Derivative assets	-	26,509	-	26,509
Derivative liabilities	-	(309,374)	-	(309,374)
Total other financial instruments	-	(282,865)	-	(282,865)
Financial Liabilities				
Equities	(1,848,898)	-	-	(1,848,898)
Total Financial Liabilities	(1,848,898)	-	-	(1,848,898)

ASTON HILL OPPORTUNITIES FUND

Notes to the Financial Statements

December 31, 2015

December 31, 2014

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets				
Equities	10,574,627	71	60,209	10,634,907
Short Term Investments	-	8,374,873	-	8,374,873
Warrants	8,687	-	-	8,687
Total Financial Assets	10,583,314	8,374,944	60,209	19,018,467
Other financial instruments				
Derivative assets	35,596	-	-	35,596
Derivative liabilities	-	(239,710)	-	(239,710)
Total other financial instruments	35,596	(239,710)	-	(204,114)
Financial Liabilities				
Equities	(2,677,354)	-	-	(2,677,354)
Total Financial Liabilities	(2,677,354)	-	-	(2,677,354)

There were no transfers of financial assets between Level 1 and Level 2 during the years ended December 31, 2015 and 2014.

The following is a reconciliation of investments in which significant unobservable inputs (level 3) were used in determining their fair value:

As at December 31, 2015	Equities - long	Fixed income investments	Warrants	Total
Balance as at December 31, 2014	\$ 60,209	\$ -	\$ -	\$ 60,209
Purchases	-	-	-	-
Sales	(60,403)	-	-	(60,403)
Net transfers in (out)	-	-	-	-
Realized gains/losses	3,487	-	-	3,487
Change in unrealized appreciation (depreciation) on investments	(3,139)	-	-	(3,139)
Balance as at December 31, 2015	\$ 154	\$ -	\$ -	\$ 154
Net change in unrealized appreciation (depreciation) from investments as at December 31, 2015	\$ -	\$ -	\$ -	\$ -

As at December 31, 2014	Equities - long	Fixed income investments	Warrants	Total
Balance as at December 31, 2013	\$ 39,998	\$ 31,875	\$ 1	\$ 71,874
Purchases	56,915	-	-	56,915
Sales	-	-	-	-
Net transfers in (out)	(41,796)	-	-	(41,796)
Realized gains/losses	-	-	-	-
Change in unrealized appreciation (depreciation) on investments	5,092	(31,875)	(1)	(26,784)
Balance as at December 31, 2014	\$ 60,209	\$ -	\$ -	\$ 60,209
Net change in unrealized appreciation (depreciation) from investments as at December 31, 2014	\$ 59,157	\$ (1,779)	\$ -	\$ 57,378

The fair value of each level 3 investment is reviewed by management based on a number of applicable valuation techniques for each investment depending 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. In addition to the range of valuation techniques employed, a significant number of the key assumptions used in the valuation of individual investments are company specific. Due to the nature of this detailed, investment-by-investment approach to fair value determination and the number of different key assumptions, there are no alternative assumptions that are broadly applicable across the investment portfolio of the Fund.

The Fund's Level 3 securities at December 31, 2015 consist of private equity positions. Private equity 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 Fund's investments categorized in level 3 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.

ASTON HILL OPPORTUNITIES FUND

Notes to the Financial Statements

December 31, 2015

11. INCOME TAXES

The Fund is taxed as a mutual fund trust under the Income Tax Act (Canada). The Fund is required to make distributions each period of its net income and net realized capital gains and, therefore, will not generally be liable for income taxes. However, such part of the Fund's taxable income and net realized capital gains that is not so paid or payable will be taxable to the Fund. At December 31, 2013, no tax provision was required to be recorded by the Fund.

Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses arising in taxation years after 2005 may be carried forward 20 years. Non-capital losses carried forward may reduce future net investment income.

As at December 31, 2015, the Fund had non-capital losses of \$7,407,086 (2014 - \$7,393,727). There were no capital losses as at December 31, 2015 and 2014.

The non-capital loss carryforwards will expire as follows:

	2015	2014
2027	7,177,082	7,177,082
2028	216,645	216,645
2035	13,359	-
	\$ 7,407,086	\$ 7,393,727

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.

12. FILING EXEMPTION

The Fund is relying on the exemption pursuant to Section 2.11 of National Instrument 81-106, Investment Fund Continuous Disclosure, to not file its financial statements with the Ontario Securities Commission.

13. BROKER MARGIN

A short sale by a Fund involves borrowing securities from a broker which are then sold in the open market. At a future date, the same securities are repurchased by the Fund and returned to the broker. Until the securities are returned, Fund assets are deposited with the broker as security and the Fund pays securities borrowing fees to the broker on the borrowed securities, as well as any distributions payable on the investments sold short.

14. 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. There was \$175,368 (Collateral - \$178,877) of securities on loan as at December 31, 2015. There was \$1,876,200 (Collateral - \$1,913,730) of securities on loan as at December 31, 2014.

15. 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, 2015 and 2014. The "Net" column shows what the impact on the Fund's Statements of Financial Position would be if all set-off rights were exercised.

ASTON HILL OPPORTUNITIES FUND

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December 31, 2015

As at December 31, 2015

Financial assets and liabilities	Amounts offset			Amounts not offset	Net
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	
	\$	\$	\$	\$	\$
Counterparty					
Bank of Nova Scotia	25,612	(120,569)	(94,957)	-	(94,957)
CIBC	-	(175,535)	(175,535)	(2,018)	(177,553)
Citibank	-	-	-	(10,355)	(10,355)
					(282,865)

As at December 31, 2014

Financial assets and liabilities	Amounts offset			Amounts not offset	Net
	Gross assets	Gross liabilities	Net amounts presented	Financial instruments	
	\$	\$	\$	\$	\$
Counterparty					
Scotia Capital	-	-	-	(11,901)	(11,901)
CIBC	1,509	(206,621)	(205,112)	34,087	(171,025)
Royal Bank of Canada	-	(21,188)	(21,188)	-	(21,188)
					(204,114)

16. TRANSACTION COSTS AND SOFT DOLLAR SERVICES

The Fund paid \$52,416 (2014 - \$35,847) in brokerage commissions during the year. The soft dollars paid during the year were \$792 (2014 - \$Nil).