

Aston Hill Strategic Yield Fund

Management Report of Fund Performance

August 26, 2016

This semi-annual management report of fund performance for Aston Hill Strategic Yield Fund (the “Fund”) contains financial highlights but does not contain the unaudited semi-annual financial statements of the Fund. You may obtain a copy of the semi-annual financial statements, at no cost, by calling 1-800-513-3868 or by sending a request to Investor Relations, Aston Hill Asset Management Inc., 77 King Street West, Suite 2110, P.O. Box 92, Toronto-Dominion Centre, Toronto, Ontario, M5K 1G8, or by visiting our website at www.astonhill.ca or SEDAR at www.sedar.com. Unitholders may also contact us by 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.

THE FUND

Aston Hill Strategic Yield Fund is a mutual fund managed by Aston Hill Asset Management Inc. (the “Manager”). The Fund’s Portfolio is actively managed by the Fund’s Portfolio Advisor AHF Capital Partners Inc. (the “Sub-Advisor”) (a division of the Manager). The Fund has Series X, Series A, Series F, Series I, Series Y, Series UA, Series UF, Series TA6 and Series TF6 units outstanding. The Fund is RRSP, RRI and TFSA eligible.

Previously the Fund entered into a forward purchase and sale agreement (the “Forward Agreement”) with BMO Capital Markets Inc. (the “Counterparty”).

Under the Forward Agreement, the Fund agreed to buy securities from the Counterparty (the “Common Share Portfolio”) in return for a purchase price of Aston Hill Strategic Yield Trust (the “Trust”). Through the Forward Agreement, the Fund provided unitholders with exposure to the performance of the Trust. The Trust’s portfolio consisted of fixed income and high-yield securities issued by issuers in Canada and the United States.

On March 21, 2013, the Minister of Finance announced proposals in a federal budget that would treat the gain realized by a mutual fund under a forward agreement, such as the one entered into by Aston Hill Strategic Yield Fund, as ordinary income rather than a capital gain if the forward agreement was entered into or extended on or after March 21, 2013. On July 11, 2013, the Department of Finance announced proposed technical changes to the transitional rules related to character conversion transactions announced in the federal budget. One of the announced changes includes the extension of the transition period for short-term agreements. The extended grandfathered period allows investment funds, whose forward agreements were entered into prior to March 21, 2013 and the terms of which provide for settlement prior to 2015, to extend their forward agreements until the end of 2014. The federal budget, part of Bill C-4, was enacted into law on December 12, 2013.

In May 2013, Aston Hill Asset Management Inc. launched Aston Hill Strategic Yield II Fund in response to the above-mentioned tax changes, which effectively closed its predecessor (i.e., Aston Hill Strategic Yield Fund) to new investors. As discussed in the previous paragraph, the different tax treatments of the two funds resulting from the Federal Bill C-4 was ending in December 2014, thereby creating the opportunity for the two funds to be consolidated for greater efficiency.

As of close of business on December 5, 2014, Aston Hill Strategic Yield Fund terminated its Forward Agreement, which resulted in holding the assets of Aston Hill Strategic Yield Trust directly and realizing any unrealized gains on its Forward Agreement.

On December 12, 2014, Aston Hill Strategic Yield II Fund (the “Terminating Fund”) was also merged into Aston Hill Strategic Yield Fund (the “Continuing Fund”) on a tax-deferred basis because Strategic Yield Fund and Fund II have the same investment mandate.

Effective as of close of business on December 12, 2014, the Aston Hill Strategic Yield II Fund (the “Terminating Fund”), transferred its Net Assets into the Aston Hill Strategic Yield Fund (the “Continuing Fund”).

The Net Asset transfer was completed on a tax-deferred basis, cash and securities, which were transferred to the Continuing Funds in return for units of the Continuing Fund, allocated as shown in the table below.

Terminating Fund	Continuing Funds	Net Assets Acquired	Units Issued
Aston Hill Strategic Yield II Fund – Series A	Aston Hill Strategic Yield Fund – Series A	\$ 112,464,128	12,549,624
Aston Hill Strategic Yield II Fund – Series F	Aston Hill Strategic Yield Fund – Series F	69,231,280	7,528,125
Aston Hill Strategic Yield II Fund – Series I	Aston Hill Strategic Yield Fund – Series I	54,905,169	6,538,127
Aston Hill Strategic Yield II Fund – Series UA	Aston Hill Strategic Yield Fund – Series UA	5,766,751	547,265
Aston Hill Strategic Yield II Fund – Series UF	Aston Hill Strategic Yield Fund – Series UF	2,608,515	246,847

INVESTMENT OBJECTIVES AND STRATEGIES

Aston Hill Strategic Yield Fund seeks to provide investors with a high yield while providing the opportunity for capital appreciation and maintaining low risk by investing primarily in, or obtaining exposure primarily to, fixed income securities of corporate issuers located in Canada or the United States. To this end, the Fund invests in Canadian and US dollar denominated global convertible bonds and high yield debt.

RISKS

Risks associated with an investment in the units of the Fund are discussed in the Fund's prospectus, which is available on the Fund's website at www.astonhill.ca or on SEDAR at www.sedar.com. There were no changes to the Fund over the six-month period ended June 30, 2016 which materially affected the risks associated with an investment in the units of the Fund.

RESULTS OF OPERATIONS

Series TA6 and Series TF6 were introduced on June 2, 2016, so there was no comparative prior period for Series TA6 and TF6.

Portfolio Manager's Report

Financial market volatility that characterized the first quarter of 2016 has given way to firmer risk markets in risk assets for two main reasons. First, after June's Brexit-related (British EU referendum) volatility it's clear that capital markets are willing to discount continued accommodative central bank policy (easy money) which has more than offset the prospect for slowing global economic growth when it comes to securities value. Second, the U.S. economy continues to move forward at a firm rate with strong employment figures in both jobs created (monthly payroll) and with less firings (unemployment claims).

The most important investing theme continues to be ultra-low interest rates (including NEGATIVE yields in major government bonds from countries including Germany and Japan) because of sub-par yet positive global economic growth. As global bond yields continue to decline, other risk assets including investment grade corporate debt, high yield debt and equities continue to grind higher as discount rates go lower. The interest rate environment is positive for income products including high yield bonds.

High yield market valuation continues to be more attractive than usual for an expansionary period, with the recent yield spread at 594 basis points over Treasury yield and the yield at 7.2% (source: JP Morgan). U.S. 10-year Treasury notes are currently yielding 1.6% which is near their all-time lowest yield ever. The internal yield of the Fund is in the 8% area and duration (interest rate risk) in high yield bonds is low. The cash balance in the Fund at 10% is currently in its normal range.

Excluding commodity sectors (Energy, Metals & Mining) the high yield debt default rate is 0.6% which continues to suggest a healthy corporate credit environment. The overall high yield debt default rate including commodities has crept up to 3.7%, up from 1.9% one year ago (source: JP Morgan), however it still remains low by historical standards for an expansionary period.

The Fund returned 2% in the first half of 2016 and has returned 5.0% year to date as of August 5. While the Fund has had better returns than ETFs for all of calendar years 2012 through 2015, this year to date it is trailing ETFs largely due to its underweight position in commodity sectors. The Fund continues to be underinvested in commodity sectors with the rationale that this recent upturn has been led by the lowest quality leveraged companies as commodity prices have bounced off the bottom. During the month of July and August to date crude oil (West Texas Intermediate – WTI) has come off its recent highs which has contributed to some volatility in energy related high yield debt and outflows in high yield debt exchange-traded funds (ETFs).

Instead of high commodity weights we are investing in debt of companies that have simple business models, operating in and dependent upon geographies with which we are more familiar. Away from commodity sectors, the Fund continues to invest in a number of U.S.-centric industries including homebuilders, financial services and selected retail, consumer and industrial credits. The outlook for credit quality in the U.S. remains steady with low debt default outlook and with continued opportunity for issuers to refinance in this low interest rate environment.

Forward-Looking Statements

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances.

Distributions

For the six-month period ended June 30, 2016, distributions were \$0.26 per Series X unit (\$0.26 in the first half of 2015), \$0.26 per Series A unit (\$0.26 in the first half of 2015), \$0.26 per Series F unit (\$0.26 in the first half of 2015), \$0.26 per Series I unit (\$0.26 in the first half of 2015), \$0.31 per Series Y unit (\$0.31 in the first half of 2015), U.S. \$0.26 per Series UA unit (U.S. \$0.32 in the first half of 2015), U.S. \$0.26

per Series UF unit (U.S. \$0.32 in the first half of 2015), nil per Series TA6 unit and Series TF6 unit. Since inception, the Fund has paid total cash distributions of \$3.84 per Series X unit, \$2.69 per Series A unit, \$2.71 per Series F unit, \$2.63 per Series I unit, \$2.87 per Series Y unit, U.S. \$1.03 per Series UA unit, U.S. \$1.05 per Series UF unit, nil per Series TA6 unit and Series TF6 unit.

Subscriptions and Reinvestment

The Fund's units may be subscribed and reinvested on a daily basis at a subscription price equivalent to Net Asset Value per unit, as calculated on a daily basis. For the six-month period ended June 30, 2016, no units were subscribed for Series X (nil in the first half 2015), 188,872 units were subscribed for Series A (1,221,349 in the first half of 2015), 2,720,294 units were subscribed for Series F (2,101,307 in the first half of 2015), 1,296,092 units were subscribed for Series I (850,299 in the first half of 2015), no units were subscribed for Series Y (nil in the first half of 2015), 19,656 units were subscribed for Series UA (64,337 in the first half of 2015) and 213,721 units were subscribed for Series UF (70,327 in the first half of 2015), 10 units were subscribed for Series TA6 and 10 units were subscribed for Series TF6. Also during the six-month period ended June 30, 2016, 23,790 units were reinvested for Series X (27,175 in the first half of 2015), 267,295 units were reinvested for Series A (274,778 in the first half of 2015), 131,002 units were reinvested for Series F (130,193 in the first half of 2015), 117,923 units were reinvested for Series I (118,480 in the first half of 2015), 505 units were reinvested for Series Y (695 in the first half of 2015), 6,972 units were reinvested for Series UA (6,136 in the first half of 2015), 11,089 units were reinvested for Series UF (5,411 in the first half of 2015), no units were reinvested for Series TA6 and TF6.

Redemptions

For the six-month period ended June 30, 2016, 150,556 Series X units (211,632 in the first half of 2015), 2,024,279 Series A units (2,715,876 in the first half of 2015), 2,182,084 Series F units (3,134,600 in the first half of 2015), 2,261,677 Series I units (1,179,355 in the first half of 2015), 7,934 Series Y units (7,179 in the first half of 2015), 47,816 Series UA units (72,812 in the first half of 2015), 40,068 Series UF units (109,385 in the first half of 2015) were redeemed and no units were redeemed for Series TA6 and TF6.

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 six-month period ended June 30, 2016.

Independent Review Committee (“IRC”) Fee

The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

The IRC members each receive \$15,000 per annum (\$20,000 for the Chairman) plus \$1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment Funds that are managed by the Manager in a manner that is fair and reasonable.

During the six-month period ended June 30, 2016, IRC fees amounted to \$5,985 (\$7,439 during the six-month period ended June 30, 2015).

RELATED PARTY TRANSACTIONS

Related party transactions consist of services provided by the Manager pursuant to a management agreement. See the Management Fees section below.

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.

The Fund pays the Manager management fees of up to 1.75% and 0.75% per annum, respectively, of the Net Asset Value for Series A/UA/TA6 and Series F/UF/TF6, calculated daily and paid monthly in arrears, plus applicable taxes. No management fees are charged to the Fund for Series I units. Instead, each investor negotiates a separate fee which is payable directly to the Manager.

Out of the management fees of Series A/TA6 and Series UA, the Manager is required to pay financial advisors a service fee for ongoing services they provide to investors. The service fee is calculated monthly and payable monthly, based on the total client assets invested in Series A/TA6/UA units of the Fund held by all of a financial advisor's clients throughout the month. The annual rate of the service fee depends on the purchase option chosen by the investor. For Series A/TA6/UA units purchased under the initial sales charge option, the annual rate is a maximum of 0.75%, and for Series A/TA6/UA units purchased under the low-load, deferred sales charge option, the annual rate is a maximum of 0.40%. The service fee for low-load, deferred sales charge units changes to the initial sales charge service fee annual rate on the third anniversary of the investment. The Manager may change or cancel service fees at any time. There are no service fees on Series F/TF6 or Series UF of the Fund.

The management fee for Series X is 1.65% per annum of the Net Asset Value for Series X, calculated daily and paid monthly in arrears, plus applicable taxes. The Manager pays 0.40% per annum of the Series X management fees to the investment dealers in proportion to the number of units held by clients of each dealer at the end of each calendar month.

The management fee for Series Y is 1.50% per annum of the Net Asset Value for Series Y, calculated daily and paid monthly in arrears, plus applicable taxes. The Manager pays 0.40% per annum of the Series Y management fees to the investment dealers in proportion to the number of units held by clients of each dealer at the end of each calendar month.

For the six-month period ended June 30, 2016, management fees amounted to \$1.1 million (\$1.9 million for the first half of 2015).

Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters and overhead expenses 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 unitholder reporting, cost management, oversight and any other operations matter.

For the six-month period ended June 30, 2016, administration fees amounted to \$72,895 (\$59,507 in the first half of 2015).

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing Net Assets per unit.*

Net Assets per Unit⁽¹⁾

Series X

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ CAD	December 31, 2015 CAD	December 31, 2014 ⁽⁵⁾ CAD	December 31, 2013 ⁽⁵⁾ CAD	December 31, 2012 CAD
Net Assets, beginning of year/period⁽³⁾	\$ 7.64	\$ 8.81	\$ 9.28	\$ 9.05	\$ 8.36
Increase (decrease) from operations:⁽⁴⁾					
Total revenue	0.31	0.72	0.04	—	—
Total expenses	(0.08)	(0.18)	(0.28)	(0.21)	(0.23)
Realized gain (loss) for the year/period	(0.22)	(0.65)	1.83	0.51	(0.24)
Unrealized gain (loss) for the year/period	0.14	(0.26)	(1.47)	0.47	1.67
Total increase (decrease) in Net Assets from operations	\$ 0.15	\$ (0.37)	\$ 0.12	\$ 0.77	\$ 1.20
Distributions to unitholders:⁽³⁾					
From income	\$ (0.26)	\$ (0.70)	\$ (0.05)	\$ —	\$ —
Return of capital	—	—	(0.47)	(0.51)	(0.51)
Total distributions to unitholders	\$ (0.26)	\$ (0.70)	\$ (0.52)	\$ (0.51)	\$ (0.51)
Net Assets, end of year/period⁽³⁾⁽⁵⁾	\$ 7.55	\$ 7.64	\$ 8.81	\$ 9.28	\$ 9.03

⁽¹⁾ This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements.

⁽²⁾ For Series UA, period from commencement of operations on December 15, 2014 to December 31, 2014. For Series UF, period from commencement of operations on December 15, 2014 to December 31, 2014.

⁽³⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the period up to December 31, 2012 is presented under Canadian GAAP.

⁽⁶⁾ Results for the six-month period ended June 30, 2016.

Net Assets per Unit⁽¹⁾ (continued)

Series A

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ CAD	December 31, 2015 CAD	December 31, 2014 ⁽⁵⁾ CAD	December 31, 2013 ⁽⁵⁾ CAD	December 31, 2012 CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 7.75	\$ 8.93	\$ 9.41	\$ 9.18	\$ 8.39
Increase (decrease) from operations: ⁽⁴⁾					
Total revenue	0.31	0.73	0.12	—	—
Total expenses	(0.08)	(0.19)	(0.27)	(0.22)	(0.14)
Realized gain (loss) for the year/period	(0.24)	(0.65)	1.70	0.52	(0.21)
Unrealized gain (loss) for the year/period	0.16	(0.24)	(1.41)	0.43	1.48
Total increase (decrease) in Net Assets from operations	\$ 0.15	\$ (0.35)	\$ 0.14	\$ 0.73	\$ 1.13
Distributions to unitholders: ⁽³⁾					
From income	\$ (0.26)	\$ (0.69)	\$ (0.05)	\$ —	\$ —
Return of capital	—	—	(0.47)	(0.51)	(0.51)
Total distributions to unitholders	\$ (0.26)	\$ (0.69)	\$ (0.52)	\$ (0.51)	\$ (0.51)
Net Assets, end of year/period⁽³⁾⁽⁵⁾	\$ 7.67	\$ 7.75	\$ 8.93	\$ 9.41	\$ 9.16

Series F

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ CAD	December 31, 2015 CAD	December 31, 2014 ⁽⁵⁾ CAD	December 31, 2013 ⁽⁵⁾ CAD	December 31, 2012 CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 8.03	\$ 9.17	\$ 9.58	\$ 9.25	\$ 8.39
Increase (decrease) from operations: ⁽⁴⁾					
Total revenue	0.32	0.76	0.17	—	—
Total expenses	(0.06)	(0.12)	(0.19)	(0.14)	(0.07)
Realized gain (loss) for the year/period	(0.19)	(0.65)	1.55	0.54	(0.19)
Unrealized gain (loss) for the year/period	0.15	(0.32)	(1.26)	0.37	1.55
Total increase (decrease) in Net Assets from operations	\$ 0.22	\$ (0.33)	\$ 0.27	\$ 0.77	\$ 1.29
Distributions to unitholders: ⁽³⁾					
From income	\$ (0.26)	\$ (0.71)	\$ (0.05)	\$ —	\$ —
Return of capital	—	—	(0.47)	(0.51)	(0.51)
Total distributions to unitholders	\$ (0.26)	\$ (0.71)	\$ (0.52)	\$ (0.51)	\$ (0.51)
Net Assets, end of year/period⁽³⁾⁽⁵⁾	\$ 7.99	\$ 8.03	\$ 9.17	\$ 9.58	\$ 9.25

Series I

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ CAD	December 31, 2015 CAD	December 31, 2014 ⁽⁵⁾ CAD	December 31, 2013 ⁽⁵⁾ CAD	December 31, 2012 CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 10.22	\$ 11.45	\$ 11.70	\$ 11.08	\$ 9.96
Increase (decrease) from operations: ⁽⁴⁾					
Total revenue	0.41	0.95	0.19	—	—
Total expenses	(0.02)	(0.03)	(0.12)	(0.05)	(0.09)
Realized gain (loss) for the year/period	(0.33)	(0.83)	1.97	0.64	(0.28)
Unrealized gain (loss) for the year/period	0.25	(0.46)	(1.58)	0.47	1.92
Total increase (decrease) in Net Assets from operations	\$ 0.31	\$ (0.37)	\$ 0.46	\$ 1.06	\$ 1.55
Distributions to unitholders: ⁽³⁾					
From income	\$ (0.26)	\$ (0.79)	\$ (0.05)	\$ —	\$ —
Return of capital	—	—	(0.47)	(0.51)	(0.51)
Total distributions to unitholders	\$ (0.26)	\$ (0.79)	\$ (0.52)	\$ (0.51)	\$ (0.51)
Net Assets, end of year/period⁽³⁾⁽⁵⁾	\$ 10.30	\$ 10.22	\$ 11.45	\$ 11.70	\$ 11.08

⁽¹⁾ This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements.

⁽²⁾ For Series UA, period from commencement of operations on December 15, 2014 to December 31, 2014. For Series UF, period from commencement of operations on December 15, 2014 to December 31, 2014.

⁽³⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the period up to December 31, 2012 is presented under Canadian GAAP.

⁽⁶⁾ Results for the six-month period ended June 30, 2016.

Net Assets per Unit⁽¹⁾ (continued)

Series Y

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ CAD	December 31, 2015 CAD	December 31, 2014 ⁽⁵⁾ CAD	December 31, 2013 ⁽⁵⁾ CAD	December 31, 2012 CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 9.36	\$ 10.78	\$ 11.32	\$ 10.94	\$ 9.99
Increase (decrease) from operations: ⁽⁴⁾					
Total revenue	0.37	0.89	0.06	—	—
Total expenses	(0.09)	(0.20)	(0.32)	(0.23)	(0.25)
Realized gain (loss) for the year/period	(0.26)	(0.74)	2.28	0.67	(0.32)
Unrealized gain (loss) for the year/period	0.19	(0.40)	(1.89)	0.52	1.93
Total increase (decrease) in Net Assets from operations	\$ 0.21	\$ (0.45)	\$ 0.13	\$ 0.96	\$ 0.01
Distributions to unitholders: ⁽³⁾					
From income	\$ (0.31)	\$ (0.85)	\$ (0.06)	\$ —	\$ —
Return of capital	—	—	(0.56)	(0.54)	(0.51)
Total distributions to unitholders	\$ (0.31)	\$ (0.85)	\$ (0.62)	\$ (0.54)	\$ (0.51)
Net Assets, end of year/period ⁽³⁾⁽⁵⁾	\$ 9.27	\$ 9.36	\$ 10.78	\$ 11.32	\$ 10.94

Series UA

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ USD	December 31, 2015 USD	December 31, 2014 ⁽²⁾⁽⁵⁾ USD
Net Assets, beginning of year/period ⁽³⁾	\$ 7.85	\$ 9.04	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾			
Total revenue	0.32	0.74	0.04
Total expenses	(0.08)	(0.18)	(0.01)
Realized gain (loss) for the year/period	(0.80)	0.81	(0.01)
Unrealized gain (loss) for the year/period	0.21	(0.26)	(0.04)
Total increase (decrease) in Net Assets from operations	\$ (0.35)	\$ 1.11	\$ (0.02)
Distributions to unitholders: ⁽³⁾			
From income	\$ (0.26)	\$ (0.72)	\$ (0.05)
Return of capital	—	—	—
Total distributions to unitholders	\$ (0.26)	\$ (0.72)	\$ (0.05)
Net Assets, end of year/period ⁽³⁾	\$ 7.76	\$ 7.85	\$ 9.04

Series UF

For the Year/Period Ended	June 30, 2016 ⁽⁶⁾ USD	December 31, 2015 USD	December 31, 2014 ⁽²⁾⁽⁵⁾ USD
Net Assets, beginning of year/period ⁽³⁾	\$ 7.93	\$ 9.07	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾			
Total revenue	0.32	0.74	0.04
Total expenses	(0.06)	(0.11)	(0.01)
Realized gain (loss) for the year/period	(0.81)	0.84	(0.01)
Unrealized gain (loss) for the year/period	0.17	(0.49)	(0.04)
Total increase (decrease) in Net Assets from operations	\$ (0.38)	\$ 0.98	\$ (0.02)
Distributions to unitholders: ⁽³⁾			
From income	\$ (0.26)	\$ (0.74)	\$ (0.05)
Return of capital	—	—	—
Total distributions to unitholders	\$ (0.26)	\$ (0.74)	\$ (0.05)
Net Assets, end of year/period ⁽³⁾	\$ 7.88	\$ 7.93	\$ 9.07

⁽¹⁾ This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements.

⁽²⁾ For Series UA, period from commencement of operations on December 15, 2014 to December 31, 2014. For Series UF, period from commencement of operations on December 15, 2014 to December 31, 2014.

⁽³⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. This information for the period up to December 31, 2012 is presented under Canadian GAAP.

⁽⁶⁾ Results for the six-month period ended June 30, 2016.

Net Assets per Unit⁽¹⁾ (continued)

Series TA6

For the Year/Period Ended	June 30, 2016 ⁽²⁾ CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾	
Total revenue	—
Total expenses	—
Realized gain (loss) for the year/period	—
Unrealized gain (loss) for the year/period	—
Total increase (decrease) in Net Assets from operations	\$ —
Distributions to unitholders: ⁽³⁾	
From income	\$ —
Return of capital	—
Total distributions to unitholders	\$ —
Net Assets, end of year/period⁽³⁾	\$ 10.04

Series TF6

For the Year/Period Ended	June 30, 2016 ⁽²⁾ CAD
Net Assets, beginning of year/period ⁽³⁾	\$ 10.00
Increase (decrease) from operations: ⁽⁴⁾	
Total revenue	—
Total expenses	—
Realized gain (loss) for the year/period	—
Unrealized gain (loss) for the year/period	—
Total increase (decrease) in Net Assets from operations	\$ —
Distributions to unitholders: ⁽³⁾	
From income	\$ —
Return of capital	—
Total distributions to unitholders	\$ —
Net Assets, end of year/period⁽³⁾	\$ 10.04

⁽¹⁾ This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements.

⁽²⁾ For Series TA6, period from commencement of operations on June 2, 2016 to June 30, 2016. For Series TF6, period from commencement of operations on June 2, 2016 to June 30, 2016.

⁽³⁾ Net Assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time.

⁽⁴⁾ The increase (decrease) in Net Assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.

Ratios and Supplemental Data (Based on Net Asset Value)

Series X

As at	June 30, 2016 CAD	December 31, 2015 CAD	December 31, 2014 CAD	December 31, 2013 CAD	December 31, 2012 CAD
Net Asset Value (in 000s)	\$ 5,807	\$ 6,838	\$ 11,057	\$ 14,510	\$ 21,480
Number of units outstanding (in 000s)	769	896	1,254	1,563	2,374
Base management expense ratio ⁽¹⁾	2.03%	1.86%	2.05%	2.07%	—
Management expense ratio (“MER”) ⁽²⁾	2.24%	2.07%	2.28%	2.28%	2.57%
Management expense ratio before waivers and absorptions	2.24%	2.07%	2.28%	2.28%	2.57%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%	0.72%	0.66%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%	72.41%	22.61%
Net Asset Value per unit	\$ 7.55	\$ 7.64	\$ 8.81	\$ 9.28	\$ 9.05

Series A

As at	June 30, 2016 CAD	December 31, 2015 CAD	December 31, 2014 CAD	December 31, 2013 CAD	December 31, 2012 CAD
Net Asset Value (in 000s)	\$ 77,123	\$ 90,094	\$ 152,710	\$ 50,124	\$ 50,615
Number of units outstanding (in 000s)	10,054	11,622	17,094	5,324	5,512
Base management expense ratio ⁽¹⁾	2.13%	1.96%	2.02%	2.07%	—
Management expense ratio (“MER”) ⁽²⁾	2.33%	2.16%	2.23%	2.33%	1.52%
Management expense ratio before waivers and absorptions	2.33%	2.16%	2.23%	2.33%	2.52%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%	0.72%	0.66%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%	72.41%	22.61%
Net Asset Value per unit	\$ 7.67	\$ 7.75	\$ 8.93	\$ 9.41	\$ 9.18

Series F

As at	June 30, 2016 CAD	December 31, 2015 CAD	December 31, 2014 CAD	December 31, 2013 CAD	December 31, 2012 CAD
Net Asset Value (in 000s)	\$ 56,824	\$ 51,742	\$ 80,132	\$ 17,434	\$ 11,401
Number of units outstanding (in 000s)	7,114	6,445	8,736	1,820	1,232
Base management expense ratio ⁽¹⁾	1.40%	1.21%	1.28%	1.35%	—
Management expense ratio (“MER”) ⁽²⁾	1.52%	1.32%	1.41%	1.47%	0.17%
Management expense ratio before waivers and absorptions	1.52%	1.32%	1.41%	1.47%	1.77%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%	0.72%	0.66%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%	72.41%	22.61%
Net Asset Value per unit	\$ 7.99	\$ 8.03	\$ 9.17	\$ 9.58	\$ 9.25

⁽¹⁾ A separate base management expense ratio is presented to exclude the HST.

⁽²⁾ MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of the average Net Asset Value of the period. Please see the “Expense Ratio” section following this table for further discussion of the calculation.

⁽³⁾ The trading expense ratio represents total commissions expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

⁽⁴⁾ The Fund’s portfolio turnover rate indicates how actively the Fund’s Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Ratios and Supplemental Data (Based on Net Asset Value) (continued)

Series I

As at	June 30, 2016 CAD	December 31, 2015 CAD	December 31, 2014 CAD	December 31, 2013 CAD	December 31, 2012 CAD
Net Asset Value (in 000s)	\$ 45,392	\$ 53,722	\$ 68,340	\$ 17,230	\$ 11,487
Number of units outstanding (in 000s)	4,408	5,256	5,971	1,472	1,036
Base management expense ratio ⁽¹⁾	0.37%	0.21%	0.37%	0.43%	—
Management expense ratio (“MER”) ⁽²⁾	0.41%	0.24%	0.41%	0.47%	0.81%
Management expense ratio before waivers and absorptions	0.41%	0.24%	0.41%	0.47%	0.81%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%	0.72%	0.66%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%	72.41%	22.61%
Net Asset Value per unit	\$ 10.30	\$ 10.22	\$ 11.45	\$ 11.70	\$ 11.08

Series Y

As at	June 30, 2016 CAD	December 31, 2015 CAD	December 31, 2014 CAD	December 31, 2013 CAD	December 31, 2012 CAD
Net Asset Value (in 000s)	\$ 594	\$ 669	\$ 912	\$ 1,142	\$ 2,280
Number of units outstanding (in 000s)	64	71	85	101	208
Base management expense ratio ⁽¹⁾	1.88%	1.71%	1.86%	1.88%	—
Management expense ratio (“MER”) ⁽²⁾	2.11%	1.92%	2.06%	2.06%	2.40%
Management expense ratio before waivers and absorptions	2.11%	1.92%	2.06%	2.06%	2.40%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%	0.72%	0.66%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%	72.41%	22.61%
Net Asset Value per unit	\$ 9.27	\$ 9.36	\$ 10.78	\$ 11.32	\$ 10.94

Series UA

As at	June 30, 2016 USD	December 31, 2015 USD	December 31, 2014 USD
Net Asset Value (in 000s)	\$ 4,001	\$ 4,212	\$ 4,982
Number of units outstanding (in 000s)	516	537	551
Base management expense ratio ⁽¹⁾	2.13%	1.96%	2.12%
Management expense ratio (“MER”) ⁽²⁾	2.31%	2.13%	2.38%
Management expense ratio before waivers and absorptions	2.31%	2.13%	2.38%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%
Net Asset Value per unit	\$ 7.76	\$ 7.85	\$ 9.04

⁽¹⁾ A separate base management expense ratio is presented to exclude the HST.

⁽²⁾ MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of the average Net Asset Value of the period. Please see the “Expense Ratio” section following this table for further discussion of the calculation.

⁽³⁾ The trading expense ratio represents total commissions expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

⁽⁴⁾ The Fund’s portfolio turnover rate indicates how actively the Fund’s Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Ratios and Supplemental Data (Based on Net Asset Value) (continued)

Series UF

As at	June 30, 2016 USD	December 31, 2015 USD	December 31, 2014 USD
Net Asset Value (in 000s)	\$ 3,465	\$ 2,023	\$ 2,230
Number of units outstanding (in 000s)	440	255	246
Base management expense ratio ⁽¹⁾	1.38%	1.23%	1.28%
Management expense ratio (“MER”) ⁽²⁾	1.53%	1.31%	1.44%
Management expense ratio before waivers and absorptions	1.53%	1.31%	1.44%
Trading expense ratio ⁽³⁾	0.01%	0.01%	0.62%
Portfolio turnover rate ⁽⁴⁾	24.67%	53.16%	116.10%
Net Asset Value per unit	\$ 7.88	\$ 7.93	\$ 9.07

Series TA6

As at	June 30, 2016 CAD
Net Asset Value (in 000s)	\$ —
Number of units outstanding (in 000s)	—
Base management expense ratio ⁽¹⁾	—
Management expense ratio (“MER”) ⁽²⁾	—
Management expense ratio before waivers and absorptions	—
Trading expense ratio ⁽³⁾	0.01%
Portfolio turnover rate ⁽⁴⁾	24.67%
Net Asset Value per unit	\$ 10.04

Series TF6

As at	June 30, 2016 CAD
Net Asset Value (in 000s)	\$ —
Number of units outstanding (in 000s)	—
Base management expense ratio ⁽¹⁾	—
Management expense ratio (“MER”) ⁽²⁾	—
Management expense ratio before waivers and absorptions	—
Trading expense ratio ⁽³⁾	0.01%
Portfolio turnover rate ⁽⁴⁾	24.67%
Net Asset Value per unit	\$ 10.04

⁽¹⁾ A separate base management expense ratio is presented to exclude the HST.

⁽²⁾ MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of the average Net Asset Value of the period. Please see the “Expense Ratio” section following this table for further discussion of the calculation.

⁽³⁾ The trading expense ratio represents total commissions expressed as an annualized percentage of daily average Net Asset Value of the Fund during the period.

⁽⁴⁾ The Fund’s portfolio turnover rate indicates how actively the Fund’s Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

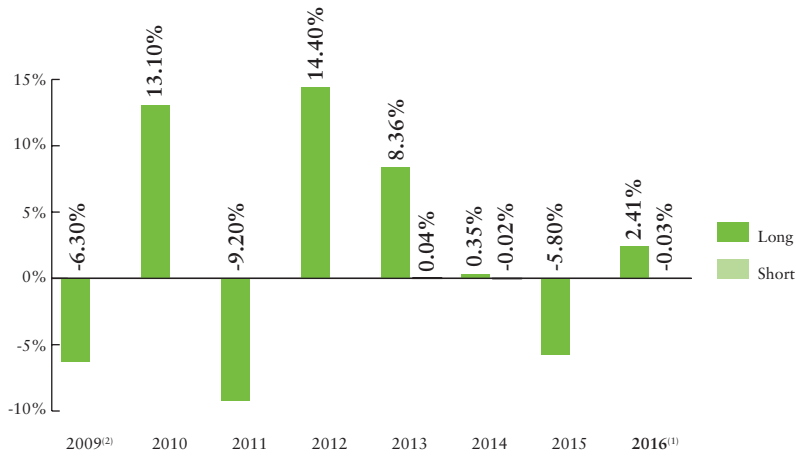
PAST PERFORMANCE

Year-by-Year Returns

The following charts and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on Net Asset Value per unit and assumes that distributions made by the Fund on its units in the periods shown were reinvested at Net Asset Value per unit in additional units of the Fund.

The bar charts show the Fund’s return in each year/period since inception to June 30, 2016. The charts show, in percentage terms, how an investment held on the first day of each fiscal period would have changed by the last day of the fiscal period.

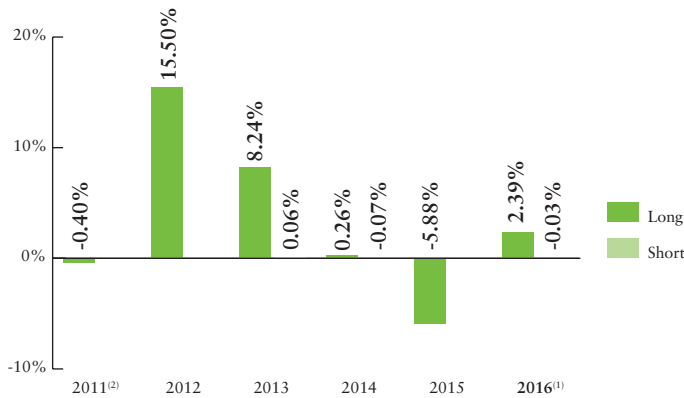
Series X



(1) The six-month period ended June 30, 2016.

(2) For Series X, period from commencement of operations on December 9, 2009 to December 31, 2009.

Series A

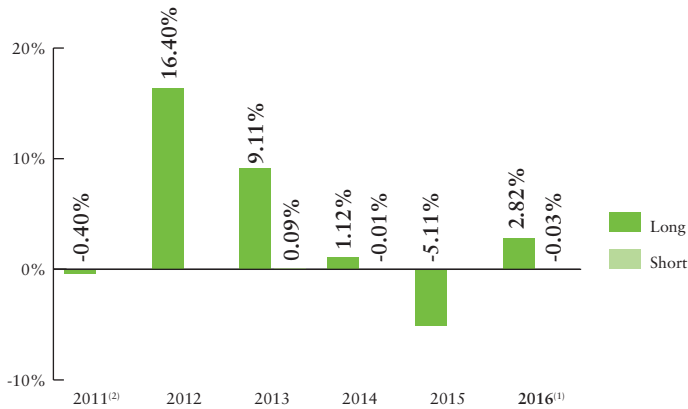


(1) The six-month period ended June 30, 2016.

(2) For Series A, period from commencement of operations on August 26, 2011 to December 31, 2011.

Year-by-Year Returns (continued)

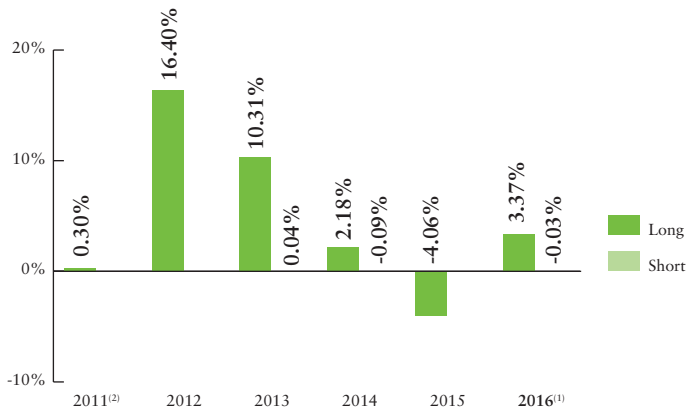
Series F



⁽¹⁾ The six-month period ended June 30, 2016.

⁽²⁾ For Series F, period from commencement of operations on August 26, 2011 to December 31, 2011.

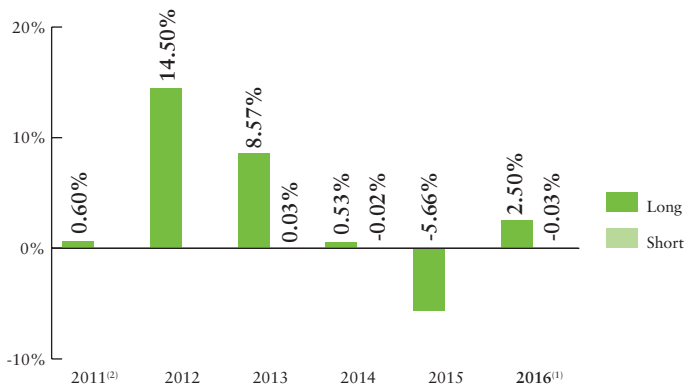
Series I



⁽¹⁾ The six-month period ended June 30, 2016.

⁽²⁾ For Series I, period from commencement of operations on December 8, 2011 to December 31, 2011.

Series Y

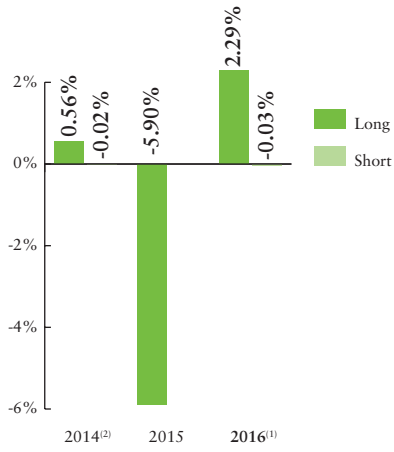


⁽¹⁾ The six-month period ended June 30, 2016.

⁽²⁾ For Series Y, period from Merger date of December 21, 2011 to December 31, 2011.

Year-by-Year Returns (continued)

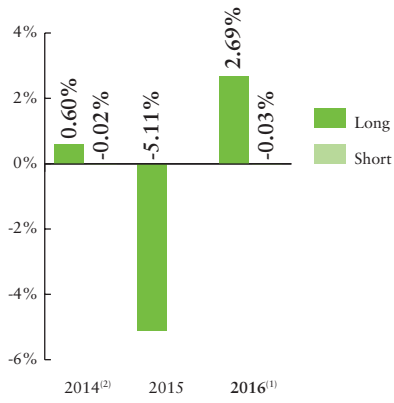
Series UA



(1) The six-month period ended June 30, 2016.

(2) For Series UA, period from commencement of operations on December 15, 2014 to December 31, 2014.

Series UF



(1) The six-month period ended June 30, 2016.

(2) For Series UF, period from commencement of operations on December 15, 2014 to December 31, 2014.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2016

Sector Allocation	% of Net Asset Value
Foreign Corporate Bonds – Long	67.8%
Canadian Corporate Bonds – Long	15.4%
Financials – Long	5.1%
Consumer Discretionary – Long	0.2%
Net Other Assets (Liabilities)	11.5%
Total	100.0%

Top 25 Holdings	Interest Rate	Maturity Date	% of Net Asset Value
Cash			9.7%
HRG Group Inc.	7.750%	January 15, 2022	3.6%
Jefferies Finance LLC	7.375%	April 1, 2020	3.4%
Enova International Inc.	9.750%	June 1, 2021	3.2%
Mattamy Group Corp.	6.875%	November 15, 2020	3.1%
Athabasca Oil Corp.	7.500%	November 19, 2017	3.1%
24 Hour Holdings III LLC	8.000%	June 1, 2022	3.0%
Michael Baker Holdings LLC	8.875%	April 15, 2019	2.9%
Air Canada	8.750%	April 1, 2020	2.7%
National Financial Partners Corp.	9.000%	July 15, 2021	2.6%
Prospect Capital Corp.	4.750%	April 15, 2020	2.5%
T-Mobile USA Inc.	6.375%	March 1, 2025	2.4%
Hunt Cos Inc.	9.625%	March 1, 2021	2.3%
Michael Baker International LLC	8.250%	October 15, 2018	2.2%
Alliance One International Inc.	9.875%	July 15, 2021	2.2%
BlackRock Corporate High Yield Fund Inc.			2.1%
Slate Retail REIT			2.1%
VistaJet Malta Finance PLC	7.750%	June 1, 2020	2.1%
AV Homes Inc.	8.500%	July 1, 2019	2.0%
Emeco PTY Ltd.	9.875%	March 15, 2019	1.9%
CEVA Group PLC	9.000%	September 1, 2021	1.9%
Hexion Inc.	10.000%	April 15, 2020	1.9%
Caesars Growth Properties Holdings LLC	9.375%	May 1, 2022	1.9%
Ruby Tuesday Inc.	7.625%	May 15, 2020	1.7%
PaperWorks Industries Inc.	9.500%	August 15, 2019	1.7%
Total % of Long Positions			68.2%
Total Net asset value (NAV):			\$ 195,436,889

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available within 60 days of each quarter end.

CORPORATE INFORMATION

Independent Review Committee

John Crow
Chairman

C. Scott Browning

Robert Falconer

Joseph H. Wright

Directors and Senior Officers of the Manager

James Werry
Director & Chief Executive Officer
(effective February 20, 2016)

Ben Cheng
Chief Investment Officer

Derek Slemko
Director, President and Chief Operating
Officer

Kal Zakarneh
Director and Chief Financial Officer

Portfolio Management

Darren Cabral
Vice President and Portfolio Manager

Vivian Lo
Vice President and Portfolio Manager

John Kim
Portfolio Manager

Barry Morrison
Portfolio Manager

Alexander (Sandy) Liang
Portfolio Manager and President
AHF Capital Partners Inc.

Manager and Trustee

Aston Hill Asset Management Inc.

Transfer Agent

RBC Investor and Treasury Services

Custodian

RBC Investor and Treasury Services

Auditor

PricewaterhouseCoopers LLP

Website

www.astonhill.ca