Aston Hill Announces 2016 Second Quarter Results

TORONTO, Aug. 9, 2016 /CNW/ - Aston Hill Financial Inc. ("**Aston Hill**" or the "**Company**") (TSX:AHF) announces it has filed its Consolidated Financial Statements for the quarter ended June 30, 2016 and related Management's Discussion and Analysis with Canadian securities regulatory authorities.

"The prudence of our cost containment strategies is being validated," commented Aston Hill President and CEO James Werry. "It is positive to have increased flexibility as we work through operational improvements."

"The second quarter continued to fuel the market's appetite for risk mitigation as Brexit and European banking concerns spooked investors. This kind of environment brings attention to Aston Hill's investment style and expertise," added Werry. "Investment strategies designed to protect capital are on many advisors' and investors' radar these days."

Financial Highlights

(in thousands of dollars, except assets under management and per share amounts)						
		As at June 30, 2016		As at March 31, 2016		As at June 30, 2015
Assets under management (in billions	**$**	**2.14**	$	2.19	$	4.00
Total assets		**65,410**		67,322		92,185
Shares outstanding		**98,744**		98,744		89,617
For the three months ended		**June 30, 2016**		March 31, 2016		June 30, 2015
Total revenues	**$**	**5,663**	$	6,165	$	9,820
Total expenses excluding finance expense		**7,406**		7,483		11,614
Total finance expense (income)		**1,065**		1,038		1,092
(Loss) income before income taxes	**$**	**(2,808)**	$	(2,356)	$	(2,886)
Income tax (recovery) expense	**$**	**(662)**	$	(809)	$	(975)
Net income (loss)	**$**	**(2,146)**	$	(1,547)	$	(1,911)
Net income to non-controlling interest		**106**		132		164
Net income (loss) to controlling interest	**$**	**(2,252)**	$	(1,679)	$	(1,679)
Per share – Basic	**$**	**(0.023)**	$	(0.017)	$	(0.023)
Per share – Diluted	**$**	**(0.023)**	$	(0.017)	$	(0.023)
Cash dividends declared per share	**$**	**-**	$	-	$	0.005
EBITDA	**$**	**(1,113)**	$	(728)	$	(1,183)
Adjusted EBITDA	**$**	**(1,116)**	$	(831)	$	1,289

Aston Hill's Assets Under Management, Advisory and Administration ("AUM") held relatively steady at $2.14 billion at June 30, 2016 as compared to $2.19 billion at March 31, 2016. The slightly lower AUM is mainly the result of reductions in closed and open end funds AUM. During the second quarter, gross sales of mutual funds were $43 million and net redemptions were $46 million.

For the second quarter, Aston Hill's revenues were $5.7 million, a decrease of 8.1% from the prior quarter revenues of $6.2 million. The revenue decrease was mainly due to net redemptions to open and closed end funds. Revenue generated by Aston Hill managed investment funds continues to increase as a percentage of total revenue (currently 88% compared to 85% in the prior quarter) as management remains focused on higher margin mutual fund growth.

Percent of Revenues by Source for Three Months Ended June 30, 2016	
Aston Hill Managed Investment Funds	88%
Sub-Advisory Mandates	3%
Institutional and Other	9%

Total expenses (excluding finance expense) for the second quarter were lower at $7.4 million as compared to $7.5 million for the prior quarter.

Adjusted EBITDA (before stock-based compensation, impairment losses, and net investment gains or losses) for the second quarter was a loss of $1.1 million, a 34% increase from the prior quarter adjusted EBITDA loss of $0.8 million due mainly to lower revenue, partially offset by lower expenses in the quarter. Net loss for the quarter was $2.2 million, as compared to a net loss in the prior quarter of $1.7 million, with the decrease primarily due to the decrease in revenues.

Impacts on Q2 2016 Results

- Gross open end mutual fund sales totaled $43.0 million in the first quarter of 2016. Redemptions during the quarter totaled $89.0 million, which resulted in net redemptions of $46.0 million. Partially offsetting the net redemptions was market performance, as AUM for open end funds decreased by $10.0, or 1.0%, from March 31, 2016.
- Sub-advisory revenue as a percentage of total revenue was 3% compared to 5% in the prior year due to the termination of the sub-advisory relationship with CIBC.
- Revenue from management fees as a percentage of total revenue was 88% for the three months ended June 30, 2016, compared to 81% for the same period in the prior year.
- Other revenue and income as a percentage of total revenue was 9% compared to 7% in the prior year.
- Managed closed end funds AUM decreased by $37.0 million during the quarter as a result of redemptions and changes in market value.

The Company is also announcing the resignation of John Fielding from the Board of Directors to pursue other interests, effective August 15, 2016. The Board of Directors would like to thank Mr. Fielding for his contributions to Aston Hill Financial Inc.

Aston Hill Financial Inc. is a diversified asset management company with a suite of retail mutual funds, closed end funds, hedge funds and segregated institutional funds.

The TSX has neither approved nor disapproved the information contained herein.

1. **Adjusted EBITDA and EBITDA:** Adjusted EBITDA and EBITDA are not standardized earnings measures prescribed by IFRS; however, management believes that most of its shareholders, creditors, other stakeholders and investment analysts prefer to use these performance measures in analyzing Aston Hill's results.

2. **Forward-Looking Statements**: This news release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements.

For a detailed description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's annual financial statements and management discussion and analysis for the year ended December 31, 2015, both of which are available at www.sedar.com. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking statements.

SOURCE Aston Hill Asset Management Inc.

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