Aston
Asset Management

Alternatives At a Glance

About Aston

Aston Asset Management (Aston) is a diversified investment management firm providing products and services to the mutual fund and managed accounts markets. We are the advisor to a broad selection of 26 mutual funds, subadvised by 18 institutional-quality money managers, chosen to address the investment needs of both individual and institutional investors.

Aston selects investment managers that use disciplined institutional processes and best-in-class business standards. The goal is to achieve superior long-term investment performance, subject to each portfolio's risk constraints. Aston and its subadvisors employ strict risk controls and constantly monitor portfolio risk through all market environments.

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What is an Alternative investment?

An Alternative investment is generally regarded as any investment made outside of one of the three traditional asset classes—stocks, bonds, or cash—and offers the potential for greater diversification through lower correlation. That broad definition includes everything from hard assets like commodities to long-short equity strategies to lightly regulated and relatively illiquid financial instruments managed by hedge funds or private equity firms. Each alternative strategy can vary widely in terms of risk and potential return.

At Aston, we seek to offer Alternative funds focused on providing lower correlations through hedging and managing volatility. These strategies are designed to enhance the overall diversification of a portfolio by not moving entirely in step with traditional asset classes, which can be especially useful during times of equity or bond market turmoil.

Why invest in Aston's Alternative funds?

Although Alternative investments remained outside the reach of the typical investor for a long time owing to their complexity, more and more strategies are becoming available in a mutual fund format. Aston now offers Alternative funds using options, long-short and hedging strategies, and global tactical asset allocation that offer the potential for greater diversification. In addition, investing in Alternatives through a mutual fund typically provides more regulatory oversight, lower costs, better liquidity, and greater transparency into holdings and overall strategy than private hedge funds and other alternative options.

How are Alternatives used within a portfolio?

Alternatives are generally best suited for sophisticated investors able to understand the special risks associated with these unique strategies as well as the benefits of investing in less correlated assets. A typical allocation to Alternatives can range from 10% of assets up to 30% or more, depending on the strategies employed. It's important to remember that even within the subset of Alternatives it usually helps to diversify, mixing strategies to reduce reliance on any one approach.

Before investing, carefully consider the Fund's investment objectives, risks, charges and expenses. Contact (800) 992-8151 for a prospectus or a summary prospectus containing this and other information. Read it carefully. Aston Funds are distributed by Foreside Funds Distributors LLC.

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Aston Alternative Funds

Alternative Fund of Funds

ASTON/Lake Partners LASSO Alternatives Fund – ALSOX

LASSO® (Long and Short Strategic Opportunities®) is intended as a one-stop Alternative fund solution for investors. A managed fund of funds, it invests in roughly 10 to 15 other mutual funds that employ hedging, short-selling, and a variety of other Alternative strategies. Managers Ron and Rick Lake of subadvisor Lake Partners each have more than 20 years of experience analyzing Alternative investments, including more than 10 years employing the LASSO strategy.[1]

Hedged Equity/Option Strategies

ASTON/M.D. Sass Enhanced Equity Fund – AMBEX

This Fund serves as a relatively simple way for investors to hedge some of the risks of the stock market by writing call options on a focused portfolio of carefully selected dividend-paying stocks. Although it doesn't prevent losses, a covered-call strategy can help dampen the volatility of the strategy's returns through the collection of premiums on the sale of options. This can limit returns on the upside in a fast moving market, but in general it benefits from the added cash generated during down markets or low-volatility environments.[2]

Long-Short Strategies

ASTON/River Road Long-Short Fund – ARLSX

River Road apllies its bottom-up, fundamentals-driven Absolute Value investment philosophy to take long and short equity positions in seeking to provide equity-like returns with reduced volatility. A layered risk management process includes active management of the portfolio's net long equity exposure, a risk budget and cover discipline in the short portfolio, and a Drawdown Plan override that systematically reduces net equity exposure during adverse market environments.[3]

Global Tactical Asset Allocation

ASTON Dynamic Allocation Fund – ASENX

Subadvisor Smart Portfolios™ LLC seeks to avoid market extremes through a superior understanding of current risks in the marketplace. Using state-of-the-art mathematical models, the firm analyzes current and historical data in seeking investments in areas of the market expected to deliver the best return for an acceptable level of volatility. The Fund invests in ETFs comprised of stocks, bonds, and Alternatives in both domestic and overseas markets.[4]

Important Information About Risk

1 Principal risks of this Fund include exposure by underlying funds to aggressive investment techniques and instruments such as options and futures, derivatives, commodities, credit-risk, currency-risk, leverage, and short-sales.

2 Other risks involved with investing in covered-calls is that a liquid market may not exist for options held. If unable to close out an options transaction, the strategy will not be able to sell the underlying security until the option expires or is exercised. Premiums from the sale of call options typically result in short-term capital gain taxes, making it ill suited for investors seeking a tax efficient investment.

3 Short sales may involve the risk of the Fund incurring a loss from an increase in price of the underlying security. Losses on a short sale are theoretically unlimited.

4 The Fund invests in exchange-traded funds (ETFs), which are securities of other investment companies and are subject to the risk and fees associated with those other companies. ETFs invest in many different areas of the market, each of which may involve its own element of risk.