Leveraging Temporary Misperceptions

Occasionally, companies with strong long-term outlook may face short-term temporary problems. To benefit from these situations, Aston/TAMRO Diversified Equity Fund is on the lookout for such companies trading at a discount. Co-Portfolio manager Tim Holland points out how the team's disciplined five-step investment process helps navigate the fund through all market environments.

What is the history and objective of the fund?

TAMRO Capital Partners is a majority employee-owned investment adviser specializing in U.S. equities. The firm founded in June 2000 is located in Alexandria, Virginia and manages assets of $1.2 billion.

The Aston/TAMRO Diversified Equity Fund was launched in November 2000. The objective of the fund is to provide long-term capital appreciation and outperform the market over a full investment cycle.

"We are opportunistic and our core approach enables participation in all market environments. We are stock pickers looking for the best, relative opportunity to invest and our diversified portfolio is created with the goal of generating risk-adjusted returns with a focus on stock selection."

Why do you follow the "core" style of investment?

We don't consider ourselves value or growth investors. History shows growth and value investment styles and industries rotate in and out of favor. But style and industry cycles can persist for years. We're more opportunistic and our core approach enables participation in all market environments. We're stock pickers and looking for the best, relative opportunity to invest and our diversified portfolio is created with the goal of generating risk-adjusted returns with a focus on stock selection.

What is your investment philosophy?

Our belief is that companies with a sustainable competitive advantage generate both premium returns and command premium multiples. However, company miscues or industry headwinds can cause these companies to sell at a discount as investors focus on near-term difficulties and overlook longer-term potential. We capitalize on the investment opportunity created by this mis-pricing.

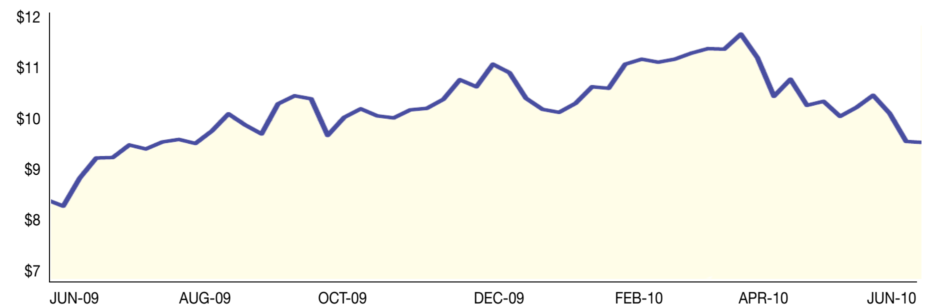
We seek to invest in companies that have a sustainable competitive

TIM HOLLAND, CFA, has served as Co-Portfolio Manager since February 2010. Holland is Principal and Analyst of TAMRO, covering companies within the Financial and Materials sectors. He also monitors broad economic and political trends and analyzes the potential impact on portfolios at the sector level.

Holland joined TAMRO in April 2005 after nearly five years with Manley Asset Management LP. He earned his BA from Drew University and holds the Chartered Financial Analyst designation.

Performance - Price History N.A.V.

ASTON/TAMRO DIVERSIFIED EQUITY FUND (ATLVX)



	2007	2008	2009
Benchmark Index *	2.03%	-37.31%	28.43%
Aston/TAMRO Diversified Equity Fund	7.89%	-37.12%	36.37%

* 2007 - S&P 500/Barra Value Index; 2008 - Russell 3000 Index; 2009 - Russell 1000 Index

advantage where the potential upside at the point of purchase is at least three times as great as the potential downside.

Would you explain your investment strategy?

The investment seeks long-term capital appreciation. The fund invests at least 80% of assets in equity securities. The investment process focuses on bottom-up stock selection and our investments can range from REITs, foreign securities, convertible bonds and, to a limited extent options.

What is your research process?

The Aston/TAMRO Diversified Equity Fund employs a bottom-up stock selection with the goal of identifying companies that possess a sustainable competitive advantage combined with an attractive valuation. We focus on companies with a management team that has a proven track record of success and leading market share in their core products or service offering.

Using a combination of quantitative tools and qualitative assessment, we identify undervalued companies with a competitive advantage. We attempt to mitigate our investment risk by purchasing stocks where, by our calculation, the potential gain is at least three times the potential loss (a reward-to-risk ratio of 3:1 or greater).

We have a five-step investment process. The first step begins with a scoring system and is the idea generator. Most investment ideas are generated through an internally-developed quantitative model that identifies companies with attractive valuations and improving earnings expectations. Valuation metrics used are tailored to the industry in which the company resides and the highest scoring stocks are candidates for qualitative analysis.

The second step is industry research. Our investments fall into three different categories - Leaders, Laggards and Innovators - all share the key characteristics of a sustainable competitive advantage of a differentiated product or service offering, capable and motivated leadership, and financial stability.

Using a 13-factor industry matrix, we seek to identify a company's investment category. Leaders have historically produced outsized returns, but are experiencing short-term difficulties; Laggards have failed to generate value over time as evidenced by poor historical performance and depressed margins and Innovators support product and service introduction through a significant commitment to research and development.

The third step is the company analysis wherein we determine whether a company possesses a strong core business that can provide a competitive advantage over the long term, while understanding the company's near term business risk and the stock's valuation risk.

Our fundamental analysis encompasses a rigorous review of corporate financials and filings, interviews with management and a study of key competitors. We focus intently on the quality of the company's product or service offering, leadership and balance sheet and determine whether operating performance and profitability are likely to improve or weaken.

Valuation analysis is a key component of our process and we will invest only in companies that offer a reward-to-risk ratio of greater than 3:1. Using the most relevant financial metric, and considering a company's business and profit cycle, we arrive at a reward-to-risk ratio for each potential investment.

The fourth step of our investment process is portfolio construction. Our bottom-up research effort results in portfolios of 50 to 70 of our best investment ideas. To ensure diversification, we have set parameters for how much we can over or underweight sectors versus the product's benchmark and a typical position size is 1.5% to 2%. How we are positioned at the sector and investment category level is a result of where we see opportunity at the stock level.

The fifth step is portfolio monitoring. We monitor our stocks closely to ensure that company and industry performance is consistent with our investment thesis. We will part company with a stock due to stretched valuation (we update each company's reward-to-risk ratio weekly), loss of confidence in management or to fund more attractive relative opportunities.

How would you describe your sell discipline?

We sell stocks for three reasons. First, if the upside/downside ratio of 3:1 of a stock reaches its target price, we tend to take profits and look to redeploy the proceeds by selling the stock. Second, a management's inability to execute to whatever plan they have articulated or we don't think they can and the stock reflects that, we look for other attractive opportunities. Third, we sell stocks to take advantage of the volatility to the downside.

How do you execute your portfolio construction?

We build the portfolio bottom-up with one stock at a time and that's where we tend to add value in terms of attribution at the stock selection level. We do set parameters around how much we will overweight or underweight major/minor sectors in the benchmark so we end up with a broadly diversified portfolio.

Generally, the portfolio consists of between 50 and 70 names and currently it holds approximately 58 positions. Typical position size will vary between 1.75% and 2% of the portfolio and we won't let any one position become more than 5% of the portfolio and so how we ultimately position at the sector level outside of the parameters is a result of where we see opportunity at the stock level.

The annualized three-year turnover is 77% which is elevated due to the volatile market conditions of the past two years. The referenced benchmark for our fund is the Russell 1000 Index.

What do you consider as sources of risk and how do you manage them?

We work very hard to manage risk at the company level and that gets back to understanding the fundamental characteristics and then buying the underlying common at the right price when we have that upside/downside ratio of 3:1 at a minimum.

Our belief is that by working hard to manage risk at a stock level over time, we'll manage risk across the portfolio. We do again have parameters in place in terms of sector exposure and that is also diversification and risk management but for us, it really gets back to managing risk at the stock level very well and hopefully over time that will translate into attractive risk-adjusted returns across the portfolio.

Aston/TAMRO Diversified Equity Fund

Symbol	**ATLVX**
Website	www.astonfunds.com
Address	Aston Asset Management 120 N. LaSalle Street 25th Floor Chicago, Illinois 60602
Telephone	312-268-1400
Inception	11/30/2000

PORTFOLIO STATISTICS	
Total Net Assets *	$13.26
Median Market Capitalization *	$11,280
Wgtd Avg. Mkt Capitalization *	$37,486
Weighted Average P/E	19.43
Weighted Average P/B	2.10
Annual Turnover	86%

INVESTMENT INFORMATION	
New Investment	Open
Minimum Initial Investment	$2,500

AVG ANN TOTAL RETURNS VS. RUSSELL 1000 INDEX	ATLVX	Index
1 Year (Cum.)	11.17%	15.24%
3 Year (Ann.)	-7.93%	-9.54%
5 Year (Ann.)	-0.15%	-0.56%
Since Inception	2.31%	-0.23%

FEES & EXPENSES	
Total Expense Ratio - Gross	2.18%
Total Expense Ratio - Net	1.20%

PORTFOLIO MANAGER	
Philip D. Tasho, CFA	2000
Tim Holland, CFA	2010

** millions*
06/30/2010; Source: Company Document

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Performance and Disclosure

as of 3/31/2011	Annualized Total Returns 1 Year	3 Year	5 Year	10 Year	Fund Inception date 11/30/00
Aston/TAMRO Diversified Equity Fund-N Class	20.91%	7.42%	5.21%	5.77%	5.60%
Russell 1000 Index	16.69%	2.98%	2.93%	3.83%	2.49%

*The performance data quoted represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, upon redemption, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month-end, please visit our website at www.astonfunds.com. The Fund's Class N gross expense ratio is 1.64%, the net expense ratio excluding acquired fund fees and expenses is 1.20%.**

**The Adviser is contractually obligated to waive management fees and/or reimburse ordinary expenses through February 28, 2012. Net expense ratio excludes acquired fund fees.*

Note: This Fund may invest in growth stocks that are generally more sensitive to market moves and thus may be more volatile than other stocks. The Fund may at times invest in risker types of investments such as foreign investments, REITS and options which may cause more volatility.

Parameters set by the Subadviser are not a fundamental policy of the Fund and are subject to change at any time.

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