

## ASTON/Barings International Fund (N: ABARX) (I: ABIIX)

### Fund Quarterly Commentary

#### 1st Quarter 2012

It was a good quarter for international equities, with the Fund's MSCI EAFE Index benchmark rising 11% during the first three months of 2012. All regions within the index posted gains during the period, with Europe ex-UK the best performing region. The United Kingdom was the worst performing region, though it still managed to deliver positive returns of more than 7%. The big winner overseas, however, was Emerging Markets which rose by slightly more than 14% during the quarter.

On a sector level, Consumer Discretionary and Financials were the best performing sectors rising more than 19% and 16%, respectively. Telecommunications was the worst performing area, and the only sector that lost ground during the quarter.

#### Tech and Energy Boost

The Fund slightly outperformed its benchmark during the quarter aided mainly by favorable stock selection in Europe ex-UK and in the Technology and Energy sectors. Strong performances by oil giant Royal Dutch Shell and uranium miner Paladin Energy overcame weak performances from holdings in precious metals mining companies in the Materials sector. The overall stock selection effect for the quarter was neutral.

Asset allocation was a drag on relative performance during the quarter. An underweight position in Europe ex-UK, the best performing region, detracted from returns. Despite having successful stock picking, an overweight stake in the overall lackluster Energy sector as well as being underweight Consumer Discretionary didn't help.

Other areas of weakness included Emerging Markets stocks and stock selection in Japan. Holdings in Emerging Markets included a Canadian listed stock that hindered returns in the group, while a holding in Nippon Telegraph & Telephone was the main factor behind results in Japan.

There were few changes to the portfolio during the quarter. We exited a position in Korean internet company NHN for better growth opportunities for the portfolio. We also sold a longstanding holding in Japanese personal products company Unicharm. The stock had been a good performer for the portfolio but we felt that its growth potential could no longer justify its rich valuation. The proceeds from that sale were used to purchase East Japan Railway. We think the company has good growth prospects from rising commuter traffic on its main rail lines, and also stands to benefit from its large property portfolio and debt refinancing opportunities.

Another Japanese stock added to the portfolio was technology firm Tokyo Electron. The company produces semiconductor equipment and is a beneficiary of the rapid growth in smartphones and tablet computers owing to its strong structural position.

#### ECB Rescue

We think there were two main drivers behind the excellent start that international equities had to the year. The first was the vast amount of money provided by the European Central Bank (ECB) to the European banking system via the Long-Term Refinancing Operation (LTRO). The second was the string of good economic data that has been coming out of the US recently.

Without a doubt the LTRO has made a difference for Europe. At the end of 2011 many of Europe's banks, along with the economy,

were heading for a crisis. The banks needed to improve their capital positions while facing €900 billion of wholesale refinancing in 2012. The result was that many banks began to rapidly reduce their leverage by disposing of assets. This threatened a spiral of falling asset prices as all banks clamored to sell, and risked seeing Europe starved of bank lending. This was the position in late 2011.

By providing €1 trillion of LTRO financing the ECB has eliminated the major part, if not all of, the refinancing risk for European banks for this year, thus avoiding a European banking crisis in 2012. Banks, the thinking went, would now no longer have an imperative to rapidly reduce their assets and would be able to continue to extend loans to customers.

The first part is certainly true. The risk of a European banking crisis in 2012 has been re-priced at a much lower probability and this has led to a sharp recovery in risk asset prices around the world. This has benefited European bank share prices, of course, but also peripheral European sovereign debt, Emerging Market asset prices (where much of the bank de-leveraging had been focused), and global asset prices in general.

The hoped for improvement in European bank lending, however, is not happening yet. The ECB recently released data showing that growth in lending to non-financial corporations continues to decline. It appears that some of the LTRO money has been used to buy European sovereign debt, especially in Spain, and a lot has been parked on deposit with the ECB—with little making its way into the real economy.

This continues to trouble us because it means that European economic growth will continue to grind lower, though not as rapidly as it appeared it would several months ago. And we continue to expect that Europe will have a recession this year due to the very weak economies of peripheral Europe.

### **Bright Spot—the U.S.?**

A brighter spot economically has been the U.S. where improvement in a number of indicators, especially employment indicators has given investors hope that the U.S. can lead the global economy to a sustainable recovery. We continue to believe that the U.S. is in the midst of a continued economic recovery, but that it will remain weaker than the recoveries we have typically seen in the post-World War II period.

Part of our caution on the strength of the U.S. recovery is that we recognize that this is the first economic recovery in the post-World War II period that has happened in the midst of a general de-leveraging of the economy. Our overarching thesis since late 2008 has been that the de-leveraging of the economy would create a headwind and result in trend growth at a lower level than expected. We have not yet seen any data to change our view of this.

The other part of our caution is our belief that recent U.S. economic data has been flattered by a very mild winter in much of the country. Mild temperatures probably allowed some labor intensive construction work that normally waits for spring to be brought forward, flattering the employment data. Mild temperatures meant that U.S. home heating bills this winter were likely significantly lower (some commentators believe by almost \$30 billion to \$40 billion). This has probably provided a boost to household disposable incomes, flattering retail spending data. Data in coming months should help reveal what impact the weather has had, but we remain alert to the risk that our caution is misplaced.

### **China Concern**

The main source of concern for markets in the short-term has shifted from Europe to China as fears have increased about the magnitude of the correction in real estate prices and the scale of the associated slowdown in Gross Domestic Product (GDP) growth. The hope remains that we are nearing the point of a major policy response by the Chinese authorities, but we would caution against getting too optimistic about this. This is a year of significant political transition in China, and with their stated intention of shifting the economy away from its heavy reliance on construction and infrastructure spending towards consumption and healthcare related areas the government may prove less accommodating than many hope.

Overall, the first quarter was characterized by equity markets rising as improving economic hopes and large monetary stimulus helped overcome the risks posed by the high refinancing requirements of European banks and governments. As yet we have not seen significant overall improvement in the earnings outlook for companies. This means that the strong equity markets have been due to a re-rating of equity valuations and a lowering of the equity risk premium.

This together with the continued fiscal austerity that we will see in Europe for the remainder of this year means that it is prudent to be

a bit cautious and not expect further equity gains to be as easy to achieve as they were during the first quarter. Nevertheless, we continue to underline how supportive to markets the current policies of the key central banks are, and we see little likelihood that these policies will change soon. This coupled with ongoing moderate economic growth in the US is likely to continue to frustrate more bearish investors.

We continue to believe that genuine growth stocks will look increasingly attractive in the low economic growth environment that we expect for most developed markets and that these stocks will increasingly attract premium valuations. As a result, we remain focused on investing in companies and themes that can deliver sustainable growth. The structural imbalances currently present in the global economy and the aggressive monetary responses that central banks have used in response, continue to create investment opportunities. We hope to exploit these opportunities using all of the top-down and bottom-up tools of our investment process.

## **Baring Asset Management**

### **London, UK**

*As of March 31, 2012, Royal Dutch Shell comprised 1.40% of the portfolio's assets, Paladin Energy – 1.37%, Nippon Telegraph & Telephone – 0.00%, East Japan Railway – 1.46%, and Tokyo Electron – 1.48%.*

Note: Investing in foreign markets involves the risk of social and political instability, market illiquidity, and currency volatility.

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

## Fund Performance

### Average Annual Total Returns

	Monthly returns (%)				Annualized Returns (%)					Incept. Date
	Period ended 4/30/12				Period ended <span style="border: 1px solid black; padding: 2px;">3/31/12</span>					
	Month	3 Months	YTD	1 yr	3 yr	5 yr	10 yr	Since Incept.		
Fund Class N Shares (ABARX)	-0.43	3.59	11.06	-1.71	N/A	N/A	N/A	6.08	3/3/2010	
Fund Class I Shares (ABIIX)	-0.43	3.59	11.06	-1.44	15.94	N/A	N/A	-6.61	11/2/2007	
MSCI EAFE Index	-1.96	3.19	8.69	-5.77	17.13	-3.51	5.65	-6.58	10/31/2007	
Category: Foreign Large Blend	-1.33	3.96	10.36	-6.47	17.09	-3.06	5.16	-6.89	10/31/2007	

### Calendar year-end returns

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Fund Class N Shares (ABARX)	-10.78	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ABIIX)	-10.54	8.24	28.82	-44.34	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EAFE Index	-12.14	7.75	31.78	-43.38	N/A	N/A	N/A	N/A	N/A	N/A

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. Certain expenses were subsidized. If these subsidies were not in effect, the returns would have been lower. The adviser is contractually obligated to waive management fees and/or reimburse expenses through February 28, 2013. Current performance may be lower or higher than the performance data quoted.

For periods less than one-year, total returns are reported; for periods more than one-year, average annual total returns are reported.

The MSCI EAFE Index (The Morgan Stanley Capital International Europe, Australasia and Far East Index), is designed to measure international equity performance, excluding the U.S. and Canada. Indices are adjusted for the reinvestment of dividends and capital gains. Individuals cannot invest in an index.

The Morningstar Foreign Large Blend Category figures allow for a direct comparison of a fund's performance within its Morningstar Category.

Morningstar Rating™ (based on risk-adjusted returns) and Morningstar Rankings™ (based on total returns)  
 Foreign Large Blend Category as of 4/30/2012

	Overall		1 yr		3 yr		5 yr		10 yr	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank
Fund Class N Shares (ABARX)	N/A	9	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ABIIX)	★★★	9	★★★	47	N/A	N/A	N/A	N/A	N/A	N/A
Total # funds in category	722	798	722				N/A		N/A	

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is derived from a weighted-average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. © Morningstar, Inc.

The highest or most favorable Morningstar percentile rank is 1 and the lowest percentile rank is 100. The top-performing fund in a category will always receive a rank of 1. Various rating agencies categorize funds differently. Past performance is no guarantee of future results.

## Fund Overview

### Investment Strategy

The **ASTON/Barings International Fund** invests in companies of all sizes primarily outside of the US that management expects to exceed consensus growth expectations over the medium-term, and that appear fairly-priced relative to their industry peers and historic valuations.

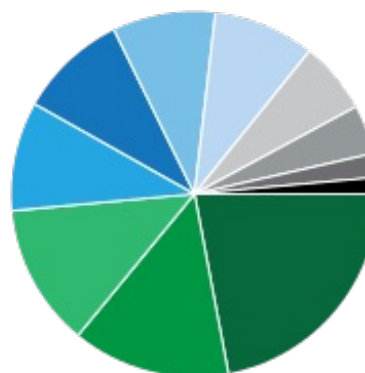
### Risk Considerations

Investing in foreign markets involves the risk of social and political instability, market illiquidity, and currency volatility.

Fund Stats (as of 3/31/12)	N Shares	I Shares
Origin Of Information	BAM Quants and Factset	BAM Quants and Factset
Sales Load	None	None
Total Net Assets (5/18/12)	\$370,547.58	\$57,055,475.24
Turnover	48%	48%
Minimum Investment	2,500	1,000,000
Alpha (3 yr.)	N/A	0.36
Beta (3 yr.)	N/A	0.91
R-Squared (3 yr.)	N/A	0.91
Standard Dev (3 yr.)	N/A	19.57
Sharpe Ratio (3 yr.)	N/A	0.24
Current Wtd Average P/E (trailing)	11.80	11.80
Current Wtd Average P/B (trailing)	1.76	1.76
Median Mkt Cap (\$Mil)	19,930	19,930
Average Wtd Coupon	N/A	N/A
Effective Maturity	N/A	N/A

### Sector Breakdown (as of 4/30/12)

FINANCIALS	22.03%
ENERGY	13.91%
HEALTH CARE	12.59%
MATERIALS	9.65%
INFORMATION TECHNOLOGY	9.57%
CONSUMER DISCRETIONARY	9.07%
INDUSTRIALS	8.94%
CONSUMER STAPLES	6.33%
TELECOMMUNICATION SERVICES	4.35%
CASH EQUIVALENTS & OTHER	2.10%
UTILITIES	1.45%



**Past performance does not guarantee future results.** Investment return and principal value of mutual funds will vary with market conditions, so that shares, when redeemed, may be worth more or less than their original cost.

As the fund is actively managed, the securities as presented may not represent the current or future composition of the portfolio.

### Fund Holdings

Holdings as of: 4/30/12

Company	Ticker	CUSIP	Number of Shares	Market Value	% of Net Assets ↓
CASH EQUIVALENTS & OTHER			2,118,850	\$1,348,699.04	2.10%
WPP PLC	WPP	B3DMTY0	98,970	\$1,338,756.12	2.08%
SABMILLER PLC	SAB	483548	29,961	\$1,258,626.21	1.96%

SYNGENTA AG-REG	SYNN	4356646	3,507	\$1,231,400.76	1.91%
BP PLC	BP/	798059	165,262	\$1,193,507.93	1.85%
DEUTSCHE BOERSE AG	DB1	7021963	18,950	\$1,189,736.71	1.85%
SAMSUNG ELECTRONICS CO LTD	5930	6771720	966	\$1,188,134.05	1.85%
TULLOW OIL PLC	TLW	150080	47,070	\$1,171,822.55	1.82%
PRUDENTIAL PLC	PRU	709954	94,035	\$1,151,439.36	1.79%
TEVA PHARMACEUTICAL-SP ADR	TEVA	2883878	24,811	\$1,134,855.14	1.76%
AMERICA MOVIL-ADR SERIES L	AMX	02364W105	41,883	\$1,116,181.95	1.73%
OIL SEARCH LTD	OSH	6657604	144,614	\$1,107,501.03	1.72%
BAYER AG-REG	BAYN	5069211	15,714	\$1,106,798.42	1.72%
IMPERIAL TOBACCO GROUP PLC	IMT	454492	27,648	\$1,105,596.66	1.72%
SANOFI	SAN	5671735	14,420	\$1,100,597.25	1.71%
BG GROUP PLC	BG/	876289	45,607	\$1,073,597.61	1.67%
MUENCHENER RUECKVER AG-REG	MUV2	5294121	7,391	\$1,072,754.54	1.67%
JULIUS BAER GROUP LTD	BAER	B4R2R50	27,795	\$1,064,150.55	1.65%
KYOCERA CORP	6971	6499260	10,800	\$1,063,226.45	1.65%
ANHEUSER-BUSCH INBEV NV	ABI	4755317	14,736	\$1,062,101.50	1.65%
ROCHE HOLDING AG-GENUSSCHEIN	ROG	7110388	5,813	\$1,061,857.98	1.65%
ZURICH INSURANCE GROUP AG	ZURN	5983816	4,323	\$1,057,352.50	1.64%
MITSUBISHI CORP	8058	6596785	47,800	\$1,043,529.55	1.62%
KEYENCE CORP	6861	6490995	4,390	\$1,042,515.03	1.62%
ROLLS-ROYCE HOLDINGS PLC	RR/	B63H849	77,249	\$1,032,401.83	1.60%
ADMIRAL GROUP PLC	ADM	B02J639	52,251	\$1,026,906.83	1.59%
STANDARD CHARTERED PLC	STAN	408284	41,991	\$1,026,298.00	1.59%
UBS AG-REG	UBSN	B18YFJ4	81,085	\$1,012,166.63	1.57%
BAIDU INC - SPON ADR	BIDU	56752108	7,600	\$1,008,520.00	1.57%
TOKIO MARINE HOLDINGS INC	8766	6513126	39,000	\$1,005,774.04	1.56%
DBS GROUP HOLDINGS LTD	DBS	6175203	89,000	\$1,003,991.91	1.56%
ISRAEL CHEMICALS LTD	ICL	6455530	86,247	\$989,443.63	1.54%
ICAP PLC	IAP	3387216	159,061	\$980,159.16	1.52%
GLAXOSMITHKLINE PLC	GSK	925288	42,357	\$979,562.95	1.52%
TOTAL SA	FP	B15C557	20,411	\$974,538.38	1.51%
NIDEC CORP	6594	6640682	10,800	\$973,947.89	1.51%
BAYERISCHE MOTOREN WERKE AG	BMW	5756029	10,227	\$972,124.09	1.51%
KEPPEL CORP LTD	KEP	B1VQ5C0	108,700	\$970,614.14	1.51%
RAKUTEN INC	4755	6229597	864	\$963,126.25	1.50%
DAITO TRUST CONSTRUCT CO LTD	1878	6250508	10,600	\$957,239.47	1.49%
FRESENIUS SE & CO KGAA	FRE	4352097	9,481	\$946,267.70	1.47%
TOKYO ELECTRON LTD	8035	6895675	16,900	\$943,004.75	1.46%
EAST JAPAN RAILWAY CO	9020	6298542	15,100	\$941,858.71	1.46%
SUEZ ENVIRONNEMENT CO	SEV	B3B8D04	66,216	\$933,909.77	1.45%
HITACHI METALS LTD	5486	6429201	74,000	\$928,707.41	1.44%
SYSMEX CORP	6869	6883807	22,700	\$918,349.19	1.43%
ROYAL DUTCH SHELL PLC-A	RDSA	B09CBL4	25,700	\$914,410.86	1.42%

SHS	RUSD	B090BL4	23,709	\$914,410.00	1.42%
SAP AG	SAP	4846288	13,558	\$898,949.27	1.40%
SES	SESG	B00ZQQ2	36,642	\$877,417.44	1.36%
GAZPROM OAO-SPON ADR	OGZPY	368287207	76,318	\$875,367.46	1.36%
TELIASONERA AB	TLSN	5978384	131,480	\$872,255.84	1.35%
FRESNILLO PLC	FRES	B2QPKJ1	34,398	\$870,863.49	1.35%
HONDA MOTOR CO LTD	7267	6435145	23,800	\$863,286.57	1.34%
RANDGOLD RESOURCES LTD	RRS	B01C3S3	9,501	\$836,491.16	1.30%
NIKO RESOURCES LTD	NKO	2639554	19,821	\$835,096.44	1.30%
SHIRE PLC	SHP	B2QKY05	25,457	\$830,415.74	1.29%
NEWCREST MINING LTD	NCM	6637101	30,234	\$828,510.12	1.29%
RESOLUTION LTD	RSL	B62W232	223,279	\$810,961.53	1.26%
JUPITER TELECOMMUNICATIONS	4817	6301956	761	\$806,370.24	1.25%
KT CORP-SP ADR	KT	48268K101	62,604	\$804,461.40	1.25%
SUN HUNG KAI PROPERTIES	16	6859927	65,000	\$784,157.03	1.22%
PALADIN ENERGY LTD	PDN	6668468	470,059	\$781,195.12	1.21%
FANUC CORP	6954	6356934	4,500	\$765,969.43	1.19%
BRITISH AMERICAN TOBACCO PLC	BATS	287580	12,363	\$633,819.78	0.98%
CENTAMIN PLC	CEY	B5TT187	459,381	\$511,433.82	0.79%
ROLLS-ROYCE-C EN	020423	B3RP257	8,188,394	\$13,288.95	0.02%
				<b>\$64,188,373.31</b>	<b>100%</b>

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