

## ASTON/Lake Partners LASSO Alternatives Fund (N: ALSNX) (I: ALSOX)

### Fund Quarterly Commentary

#### 1st Quarter 2012

U.S. equities rose almost without interruption during the first quarter, resulting in a gain of more than 12% for the broad market S&P 500 Index. Despite a lingering sense of distrust of the market, especially after last year's roller-coaster ride, investors became increasingly encouraged by mounting evidence that: 1) the U.S. economy was making steady, albeit slow progress; 2) China's economy was in the process of making a "soft" landing; and 3) the European Central Bank's (ECB) Long Term Refinancing Operation had succeeded in defusing a liquidity crisis in the European banking system. Furthermore, the latest round of debt restructuring and belt-tightening in Greece was completed, which at least bought more time for the country despite its bleak long-term prospects.

Note, however, that there were significant divergences within the market. The Financials and Technology sectors rose 22% and 21.5% respectively, while gains in Consumer Staples, Energy, and Telecommunications were only in the low single-digits, and Utilities actually declined. Not to be overlooked is the impact that Apple had on the S&P 500. That one stock, which jumped 48% during the quarter, accounted for more than one-tenth of the return of the index. In this "risk-on" environment, the Barclays Capital US Treasury Long Index lost 5.8%. As economic indicators and the markets strengthened, the price of the 30-year US Treasury fell as yields rose from a low of 2.9% in January to nearly 3.5% by mid-March.

#### Core Holdings Deliver

The Fund outperformed its HFRX Equity Hedge Index benchmark during the quarter. The portfolio's core long/short and long-biased managers generated solid returns, providing more than half of the Fund's overall gain. A holding in a globally-oriented manager also did well, but this was a relatively small allocation within the portfolio.

Credit-related strategies produced consistent results as the high-yield market continued to improve and spreads generally narrowed. Holdings in global fixed-income managers were also positive, but performance varied depending on exposures to Emerging Markets and other international sovereigns. Elsewhere, the portfolio's merger arbitrage managers tended to make relatively steady progress throughout the quarter as increased merger & acquisition activity improved, though modest spreads limited the upside.

In contrast, Global Macro, Managed Futures, and Commodities allocations in the Fund had mixed results. Managed Futures strategies generally remained out of synch. A new long/short commodity allocation did prove to be additive, however. Although returns for the overall group were negative for the period, the impact on performance was limited due to the small size of the allocation.

#### Risk Management

Risk management is integral to our investment approach at the Fund, and it continued to meet the parameters of the three key risk guidelines—Daily Volatility, Monthly Drawdowns, and Net Equity Exposure—that we have outlined. Returns stayed within our guideline volatility band of

+/- 1% per day during the entire quarter. Positive gains were achieved for each month during the quarter, thus there was no monthly drawdown that might have otherwise required adjustments in exposures. Due to the unpredictable impact of potential public policy moves on the financial markets, we have maintained the portfolio's net equity exposure at approximately 35% for several quarters.

This is the mid-point in the net equity exposure range of 20% to 50% that we set as a guideline at the inception of the Fund.

Given the Fund's hedged approach and modest net equity exposure (averaging approximately 36% during the quarter), it participated in the market's upside but to a lesser degree than a pure long-only equity strategy. Nevertheless, the Fund's performance was significantly less volatile than the S&P 500 (as measured by standard deviation).

### **Portfolio Review**

The overall structure of the portfolio was largely stable throughout the quarter. The only explicit change was to marginally increase the allocations to the Global Macro, Managed Futures, and Commodities areas by adding a discretionary global macro fund and two model-driven long/short commodity funds. The allocation to these areas provide access to a variety of trend following, quantitative, and fundamental trading-oriented strategies across a wide range of asset classes, including equities, fixed-income, interest-rates, currencies, metals, energy, and industrial and agricultural commodities. Historically, such strategies have tended to be less correlated to other strategies, especially during market corrections. We added to this strategy area with the aim of enhancing its diversification, though each of the new positions was relatively small. Overall, the allocation for the strategy was increased to 11.5%.

Equity-oriented holdings accounted for 47% of assets in the portfolio at the end of March, little changed from December. Although this is the largest single asset group in the Fund, it is important to note that this broad category encompasses a diverse mix of long-biased, hedged, multi-asset and global strategies. We continue to focus our allocations on core managers with relatively more stable risk/return characteristics.

The combined allocation to Hedged Credit and Strategic Fixed Income was maintained at 25% during the quarter. Of the two, Hedged Credit has been the larger allocation at 15%, reflecting improved valuations and solid fundamentals. We have kept the allocation to Strategic Fixed Income at 10%. Holdings in this area tend to take a global approach, long and short, to a broad range of opportunities, ranging from US mortgage-backed securities to emerging market debt. While opportunities have been attractive, these strategies tend to have somewhat higher volatility.

### **Outlook**

The good news is that the U.S. economy has been showing welcome signs of resilience, China appears to be on course for a "soft landing," and the Europeans are finally grappling with their dual sovereign debt/bank credit problems. The corporate sector generally remains flush with cash, and despite the exposure of European banks to sovereign risks, the global financial system is on a much sounder footing than it was in 2008. The bad news is that even though Greece managed to cross the "finish line" in its recent race for bailout funding, there are additional "obstacle courses" to get through, not just for Greece but for peripheral Europe, notably Spain.

Fiscal retrenchment in Europe as well as in the U.S. could dampen economic prospects, as would a slowdown in China and other Emerging Markets. Rising oil prices would compound these concerns. Although equity markets have had much to be cheered about, there is a risk that complacency has been creeping back into the investment environment. We would not be surprised to see a renewed bout of volatility if economic data or corporate earnings begin to disappoint.

The investment landscape has brightened in response to signs of fundamental progress in the global economy generally and the situation in Europe in particular. However, such progress continues to be modest and fragile. We therefore have maintained a diversified mix of strategies within the Fund. These strategies are spread across equity-oriented, credit-oriented, and arbitrage strategies, as well as macro and managed futures, with different degrees of correlation and market sensitivity. We believe that this approach is well positioned to live up to its history of producing attractive risk-adjusted returns over time.

### **Lake Partners, Inc.**

#### **Greenwich, Connecticut**

Note: The Fund is a fund-of-funds, and by investing in the Fund you incur the expenses and risks of the underlying funds it invests in. Potential risks from exposure to the underlying funds includes the use of aggressive investment techniques and instruments such as options and futures, derivatives, commodities, credit-risk, leverage, and short-sales that taken alone are considered riskier than conventional market strategies. Use of aggressive investment techniques including short sales may expose an underlying fund to potentially dramatic changes (losses) in the value of its portfolio. Short sales may involve the risk that an underlying fund will incur a loss by subsequently buying a security at a higher price than the price at which the fund previously sold the security short.

*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 <input type="text" value="3/31/12"/>					
	Month	3 Months	YTD	1 yr	3 yr	5 yr	10 yr	Since Incept.		
Fund Class N Shares (ALSNX)	0.00	1.90	4.50	-0.27	N/A	N/A	N/A	4.79	3/3/2010	
Fund Class I Shares (ALSOX)	0.08	1.98	4.58	-0.13	N/A	N/A	N/A	8.76	4/1/2009	
HFRX Equity Hedge Index	-0.09	1.74	3.84	-13.23	N/A	N/A	N/A	0.71	4/1/2009	
Category: Multialternative	-0.14	0.89	2.51	-1.46	7.73	-0.44	0.00	8.07	3/31/2009	

### Calendar year-end returns

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Fund Class N Shares (ALSNX)	-1.90	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ALSOX)	-1.60	8.79	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HFRX Equity Hedge Index	-19.08	8.93	N/A	N/A	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 HFRX Equity Index is an unmanaged index designed to measure daily performance representative of long-short equity hedge funds. Source: Hedge Fund Research, Inc. (HFR). Indices are adjusted for the reinvestment of capital gains and income dividends. Individuals cannot invest in an index.

Morningstar Rating™ (based on risk-adjusted returns) and Morningstar Rankings™ (based on total returns)  
 Multialternative 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 (ALSNX)	N/A	38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ALSOX)	★★★★	34	★★★★	36	N/A	N/A	N/A	N/A	N/A	N/A
Total # funds in category	106	183	106				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/Lake Partners LASSO Alternatives Fund** is a Fund-of-Funds that uses the proprietary LASSO® (Long and Short Strategic Opportunities) strategy. LASSO is intended to produce long-term total returns with lower volatility and/or reduced correlations compared with traditional equity and fixed-income strategies across the full market cycle.

### Objective

The Fund seeks to provide long-term total return with reduced correlation to the conventional stock and bond markets.

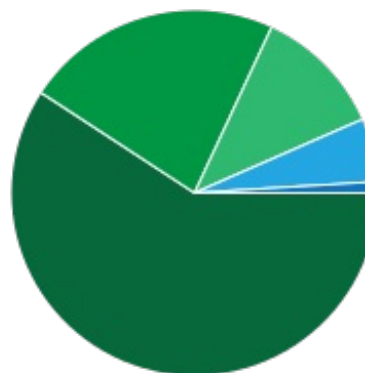
### Risk Considerations

The Fund also incurs the risks of the underlying funds it invests in. Potential risks include the use of aggressive investment techniques and instruments such as options and futures, derivatives, commodities, credit-risk, leverage, and short-sales that taken alone are generally considered riskier than conventional market strategies. Use of aggressive ETF investment techniques including short sales may expose an underlying fund to potentially dramatic changes (losses) in the value of its portfolio. Leveraged ETFs seek to provide returns that are a multiple of a benchmark and can increase risk exposure relative to the amount invested and can lead to significantly greater losses than a comparable unleveraged portfolio. Short sales may involve the risk that an underlying fund will incur a loss by subsequently buying a security at a higher price than the price at which the fund previously sold the security short.

Fund Stats (as of 3/31/12)	N Shares	I Shares
Origin Of Information	N/A	N/A
Sales Load	None	None
Total Net Assets (5/18/12)	\$23,465,090.63	\$230,036,250.78
Turnover	70%	70%
Minimum Investment	2,500	100,000
Alpha (3 yr.)	N/A	N/A
Beta (3 yr.)	N/A	N/A
R-Squared (3 yr.)	N/A	N/A
Standard Dev (3 yr.)	N/A	N/A
Sharpe Ratio (3 yr.)	N/A	N/A
Current Wtd Average P/E (trailing)	N/A	N/A
Current Wtd Average P/B (trailing)	N/A	N/A
Median Mkt Cap (\$Mil)	N/A	N/A
Average Wtd Coupon	N/A	N/A
Effective Maturity	N/A	N/A

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

LONG/SHORT STRATEGIES	59.23%
HEDGED FIXED INCOME	22.69%
ARBITRAGE	11.49%
CASH EQUIVALENTS & OTHER	5.61%
HEDGED FUTURES/COMMODITIES	0.98%



**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 ↓
ROBECO-BP L/S-IS	BPLSX.	749255261	2,508,348	\$50,618,463.13	19.53%
WEITZ-PART 3 OPP	WPOPX.	94904P708	2,543,350	\$32,885,519.96	12.68%
FPA-CRESCENT FD	FPACX.	30254T759	1,140,366	\$32,432,027.31	12.51%
METRO WEST-H/Y-I	MWHIX.	592905848	2,587,564	\$26,186,149.11	10.10%
JOHN HAN2-GL A-I	JHAIX.	47804M878	1,812,857	\$19,397,577.50	7.48%
CASH EQUIVALENTS & OTHER			18,352,297	\$14,542,110.08	5.61%
TEMPLETON-T R-AD	TTRZX.	880208855	1,000,048	\$13,070,630.92	5.04%
JOHN H2-ST INC-I	JIPIX.	47804A130	1,196,068	\$12,965,384.56	5.00%
MERGER FUND	MERFX.	589509108	818,038	\$12,933,193.41	4.99%
DUNHAM-MON DIS-N	DNMDX.	265458620	347,223	\$12,892,412.13	4.97%
ROYCE-GL SEL-INV	RSFTX.	780905410	377,343	\$6,629,922.47	2.55%
DRIEHAUS-SEL CRE	DRSLX.	262028848	643,519	\$6,505,979.09	2.51%
DRIEHAUS-ACT INC	LCMAX.	262028855	615,658	\$6,470,573.01	2.49%
RYDEX-L/S COM-Y	RYYSX.	78356A178	192,258	\$4,921,819.80	1.89%
TOUCHSTONE-MER-I	TMGLX.	89155T698	362,865	\$3,846,371.35	1.48%
FORWARD-COMM-INS	FCMLX.	34986P796	97,523	\$2,534,627.55	0.97%
EATON VAN-G MA-I	EIGMX.	277923728	11,874	\$118,031.30	0.04%
ARBITRAGE-ARB-I	ARBNX.	03875R205	8,085	\$106,166.09	0.04%
TURNER-MED SC-IS	TMSEX.	900297565	9,990	\$101,503.33	0.03%
				<b>\$259,158,462.10</b>	<b>100%</b>

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