ASTON/River Road Independent Value (N: ARIVX) (I: ARVIX)

Fund Quarterly Commentary

3rd Quarter 2014

Volatility increased during the third quarter as geopolitical turmoil, the winding down of the last round of quantitative easing (QE3), and lofty equity valuations clashed with solid corporate earnings growth and a moderately stronger U.S. economy. The result was mixed for equity investors, as allocations shifted in favor of securities perceived to be less risky. Large-cap stocks fared reasonably well, with the broad market S&P 500 and Russell 1000 indices posting modest gains. Conversely, small-cap stocks declined sharply, with the Russell 2000 Index losing -7.36%.

The weakness in small-cap stocks snapped an eight quarter streak of positive returns for the Russell 2000–such a winning streak has not occurred since 1995/1996. It also marks the fourth consecutive quarter that the small-cap universe has underperformed large-caps.

Epiq Quarter

he Fund lost ground in absolute terms during the third quarter but outperformed its Russell 2000 Value Index benchmark by a sizeable margin, and remained well ahead of the index for the year-to-date through the end of September.

The top contributor during the quarter was Epiq Systems, a leading provider of e-Discovery and bankruptcy services. Epiq's board of directors announced during the period a strategic review of the business that, according to the company, could lead to acquisitions, divestitures, or a going-private or recapitalization transaction. Epiq also disclosed it received a $20/share takeover offer from P2 Capital Partners LLC. While pleased with the above announcements, we reduced the majority of the position in the Fund as it traded above our calculated valuation.

Another top contributor was CSG Systems International the market leading provider of billing and customer software for the satellite and cable industry. CSG continued to generate consistent operating results, maintained 2014 guidance, and announced an extension of its contract with Comcast until 2019. In addition, Comcast will add 2.3 million customers to CSG Systems billing services in 2015. We believe the extended contract increases the visibility of the company's already consistent future free cash flow.

Precious Metals Stocks

Precious metals miners comprised the three major detractors from performance during the quarter. Pan American Silver's operating results were in line with management expectations and annual production and cost guidance remained unchanged. Nevertheless, Pan American's stock declined meaningfully along with lower silver prices and a sharp decline in precious metal stocks. We believe the company's strong balance sheet will allow it to navigate through the current depressed commodity price environment and that its long-lived assets remain at an attractive discount to replacement value.

New Gold's industry-leading cash margins remained strong during the second quarter, and the firm's development projects continue to be on time and on budget. However, the stock traded substantially lower in September with precious metal equities and in sympathy with most commodities during the quarter. We continue to hold New Gold and believe it trades at an attractive discount to the value of its high-quality mine assets.

We believe weakness in the precious metal sector (Market Vectors Gold Miners ETF was down double-digits during the quarter)

contributed to AuRico's negative performance as well. Operating results during the quarter were in line with management expectations, with production from its largest mine, Young Davidson, showing considerable growth. As the Young Davidson mine reaches full production, we expect free cash flow to increase, cash costs to decline, and production growth to remain elevated for the next three years. We are encouraged by the firm's strong balance sheet, limited capital needs, and emphasis on free cash flow generation. AuRico remains at a discount to our valuation, and the Fund continued to hold its stock.

Portfolio Positioning

The Portfolio's cash ended the quarter at 74% of assets. Cash remained near record levels again this quarter as most high-quality small-cap stocks continued to be expensive, in our opinion. Cash increased for most of the quarter as we sold appreciating positions. However, later in the quarter, cash declined as small-cap prices fell and valuations became more attractive. As a reminder, holding cash is not an attempt to time the market but is a direct reflection of the value, or lack thereof, we are finding within our 300-name potential buy list and, more broadly, the small-cap market. The average valuation metrics of our potential buy list remained elevated.

The only new position added during the quarter was in a timber real estate investment trust (REIT), Potlatch, owner of approximately 1.4 million acres of timberland, primarily in Idaho and Arkansas, and five wood mills (making it a top-10 lumber producer in the United States). Since the last housing peak, Potlatch has actively managed its timber harvest levels in response to regional demand and pricing trends. Due to weak overall log pricing, management is currently harvesting at a pace approximately 15% lower than the firm's long-term sustainable rate. In addition, Potlatch shifted its regional harvest mix in favor of its Northern timberlands (Idaho), which have experienced a much stronger pricing recovery than the South (Arkansas) due to increased export log demand from China. The company has also adjusted its harvest mix within its Southern lands, prioritizing lower-value pulpwood in an effort to preserve its higher-value sawtimber for improved pricing.

We believe Potlatch has been a responsible steward of its valuable timberland assets by reducing overall harvest levels and preserving valuable sawtimber. We also view management's financial responsibility with regard to the dividend and maintaining a strong balance sheet as important priorities when operating in what can be a cyclical end market. Most notably, management reduced harvest levels and cut the dividend rather than sell off the firm's core timberland in order to fund an unsustainable payout. The firm also maintained a strong and liquid balance sheet, with debt well covered by net asset value and minimal annual maturities. The company's track record of sensible management with regard to both its timberlands and balance sheet gives us the confidence to own the stock in the portfolio, and increase that ownership should the discount-to-value widen, in a potentially weakening housing market.

Outlook

The operating environment for the majority of small-cap businesses we follow showed signs of improvement during the quarter. While many consumer businesses continued to report sluggish results, an increasing number of cyclical industries generated improving growth rates. Examples include the auto, energy infrastructure, aerospace, and transportation industries. We believe it is too early to determine if the improvement in operating results is weather-related (bounce from a sluggish start to the year) or if current trends are sustainable. We believe averaging first quarter through third quarter operating results may provide a more accurate reflection of economic activity. Despite the recent improvement in growth trends, organic growth in 2014 will most likely be similar to what most small-cap companies experienced in 2013.

While operating results have fluctuated throughout the year, the portfolio's positioning and cash levels remain little changed. This begs the question: when do we expect a change in our positioning and deployment of cash? Although small-cap prices improved during the quarter, given the extraordinary heights reached by most small-cap stocks this cycle, recent declines have yet to create sufficient investment opportunities. As price declines accelerated late in the third quarter, however, we increased our pace of purchases—mainly adding to existing positions. As in past cycles, the small-cap investment environment can change rapidly and we continue to expect to act decisively as our opportunity set improves. While the portfolio remains in a defensive and very contrarian position, assuming prices decline further, we expect the portfolio's positioning, along with its risk/return profile, to change.

The portfolio's current defensive and contrarian position is not unusual for our strategy, especially during periods of excessive small-cap valuations. Such a unique positioning often prompts numerous shareholder questions. While inquiries related to the cash position and composition are common, a shareholder's line of questioning took a different route during a recent meeting. The shareholder started the meeting by asking, "How are you holding up psychologically?" It is a question I have never been asked but an important one that I appreciated. Clearly, the client understood the importance the mental aspect of investing plays in meeting our long-term objective. After a brief pause, I responded that it has been very difficult. However, despite the psychological challenges of maintaining current positioning, our process remains unchanged, we continue to be disciplined, and we plan to stay the course.

While our conversation on the topic was brief, the question caused me to reflect further on investment psychology and how it influences decision-making.

The field of psychology of investing, or behavioral finance, attempts to answer why investors behave in a particular manner. In his book, “The Psychology of Investing,” John Nofsinger illustrates how psychology affects investors’ decisions. A large portion of the book is devoted to why investors make poor investments. Mr. Nofsinger states that investment mistakes often stem from “cognitive errors, psychological biases, and emotions.” Examples include overconfidence, pride and regret, the perception of risk, cognitive dissonance, and decision framing. As I was reading the book, it became very clear to me that what Mr. Nofsinger was really explaining, if inadvertently, is why investors violate their investment discipline. In fact, our client’s question, “How are you holding up psychologically?” could have been asked as, “How are you maintaining your investment discipline in the current market environment?”

Maintaining investment discipline is essential as it provides structure, focus, and clarity. We define investment discipline as a system of rules that we use to guide us through each profit and market cycle. Some of our rules are very specific, such as those applied to valuing small cap businesses. For example, we have specific guidelines relating to the variables used in our valuations, such as required rate of return (guideline: 10 to 15%), growth rate (guideline: 3 to 5%), and cash flow assumptions (guideline: normalize).[1] Other rules are more general and commonsensical, such as our refusal to overpay for stocks and to take risk when being adequately compensated. We also have rules as to what type of businesses we will consider and what type of risk we are willing to assume. We have rules that instruct us as to when it is appropriate to make a purchase and when we must sell.

We believe these investment rules, or collectively our investment discipline, play an essential role in the implementation of our investment process and, ultimately, in whether we achieve our long-term objectives. They help us stay focused and protect us from investing outside our core competency of high-quality small-cap stocks. We believe investment discipline also increases the consistency and objectivity of our valuations, minimizing investment mistakes. Furthermore, our investment discipline helps remove the emotional aspect from investing. It helps us to avoid the temptations of greed during periods of excessive valuation and helps reduce the influence of fear during periods of rapidly declining prices and abundant opportunity. In essence, our investment discipline provides structure, focus, and clarity in an investment environment often filled with extraordinary pressures to do or be something we are not.

“Investment discipline” is a commonly used phrase in the investment management industry. Almost all asset managers claim to have it and never violate it. But how is this possible during periods of excessive valuations? Did the investment management industry maintain its discipline in 1999? What about in 2007? How about now? It is easy to communicate a set of investment rules; however, maintaining an investment discipline throughout an entire market cycle is extremely difficult. There are periods during each cycle that test an investor’s willingness to stay committed to a system of rules, especially if remaining disciplined causes unfavorable near-term performance. We believe violations of discipline do occur and that most violations happen near peaks and troughs of market cycles, when it becomes most difficult to remain disciplined.

Considering the extremes in valuations we have witnessed over the past 15 years (violent cycles), we believe there have been several periods that have tested asset manager discipline. By reviewing managers over past cycles (and the current cycle), we believe investors can be in a better position to determine if asset managers have a track record of successfully maintaining their discipline. Investors should not rely solely on portfolio managers to determine if investment disciplines are being followed. Stating that one intends to or has violated an investment discipline is bad for business, and few asset managers will communicate such violations.

While communicating failures in discipline is bad for an asset management business, violating an investment discipline can be good for the business in the near term. We believe such shortsightedness is the source of most investment discipline violations and that these violations often occur during market extremes. For example, in 1999 Asset Manager A sticks to its discipline and refuses to buy overvalued technology stocks. Conversely, Asset Manager B violates its discipline and knowingly overpays for overvalued technology stocks. Who wins? Initially, Asset Manager B (which violated its investment discipline) wins. Not only does Asset Manager B no longer have to cope with the psychological pain of not owning technology stocks during the tech boom, but the manager’s performance improves considerably in the near term, which in turn attracts assets under management. Asset Manager A (which stays true to its investment discipline) is left out of the boom, performance suffers, and assets under management decline. We obviously know how the tech boom eventually ended. While Asset Manager B was rewarded initially, its discipline violation eventually harmed long-term performance and most likely its business; more importantly, though, it harmed its shareholders.

While we believe our long-term track record confirms we have maintained our investment discipline through past cycles, it is fair to ask if we are violating our discipline in the current cycle. We do not believe so. It is true that our cash levels are near record highs and above past cycle peaks. However, our buy discipline clearly states that we will only buy small cap stocks that are selling below our calculated valuations. In our opinion, the majority of high-quality small-cap businesses on our possible buy list are overvalued and more expensive than in the past cycle's peak. As a result, if we were to invest the cash at today's prices we would be overpaying, which would be a direct violation of our investment discipline.

In addition to high cash levels, the portfolio has an above-average position in commodity stocks (14% as of 9/30/2014). Is this a violation of our investment discipline? We do not believe so. Our position in commodity stocks has varied considerably over the years—we have owned either a lot or none. This is a result of our belief that commodity stocks are often extremely overvalued or extremely undervalued; rarely do these stocks remain stable near fair value. Currently, we believe commodity stocks, especially precious metal miners, are extremely out of favor and are selling at discounts to our estimated valuations. Therefore, we believe we are maintaining our investment discipline by opportunistically buying high-quality commodity businesses selling at attractive valuations.

In conclusion, we believe having and adhering to an investment discipline is critical to successfully meeting our long-term objectives. We view the violation of an investment discipline as a risk of investing and are on constant guard. During periods of excessive valuation, we must remain committed to our discipline and refuse to overpay, even if this causes us to underperform relative to our peers and benchmark during those periods. Conversely, when prices are attractive, we must have the courage to act opportunistically, even if the businesses we are buying are significantly out of favor. While maintaining an investment discipline throughout an entire market cycle can be difficult, it is essential to being able to achieve our long-term absolute return goals. As such, we remain committed to our investment discipline regardless of the near-term direction of small-cap stocks.

River Road Asset Management

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

As of September 30, 2014, Epiq Systems comprised 0.30% of the portfolio's assets, CSG Systems International – 1.73%, Pan American Silver – 3.21%, New Gold – 2.92%, AuRico Gold – 3.06%, and Potlatch – 0.25%.

Note: Small-cap stocks are considered riskier than large-cap stocks due to greater potential volatility and less liquidity. Value investing often involves buying the stocks of companies that are currently out of favor that may decline further. There is no guarantee that any particular strategy will achieve the desired outcome or result in favorable performance. Diversification does not guarantee a profit or protect against a loss.

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 (%) Period ended 9/30/14			Annualized Returns (%) Period ended 9/30/14					
	Month	3 Months	YTD	1 yr	3 yr	5 yr	10 yr	Since Incept.	Incept. Date
Fund Class N Shares (ARIVX)	-3.99	-4.16	-0.90	2.36	6.98	N/A	N/A	5.74	12/31/2010
Fund Class I Shares (ARVIX)	-3.96	-4.04	-0.62	2.71	7.25	N/A	N/A	3.97	6/1/2011
Russell 2000 Value Index	-6.75	-8.58	-4.74	4.13	20.61	13.02	7.25	10.00	12/31/2010
Category: Small Value	-6.10	-7.14	-2.67	6.31	20.98	13.57	8.01	0.00	0/0/0000

Calendar year-end returns

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fund Class N Shares (ARIVX)	7.09	8.09	7.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ARVIX)	7.34	8.37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 Value Index	34.52	18.05	-5.50	24.50	20.58	-28.92	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, 2015. 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 Russell 2000 Value Index is comprised of securities in the Russell 2000 Index. Companies in this index tend to exhibit lower book to price ratios and lower cost to growth values. Indices are adjusted for the reinvestment of capital gains and income dividends. Individuals cannot invest in an index.
The Morningstar Small Value 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)
Small Value Category as of 9/30/2014

	Overall	1 yr	3 yr		5 yr		10 yr	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank
Fund Class N Shares (ARIVX)	★	91	★	99	N/A	N/A	N/A	N/A
Fund Class I Shares (ARVIX)	★	88	★	99	N/A	N/A	N/A	N/A
Total # funds in category	334	377	334		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 Fund employs bottom-up fundamental research in seeking strong businesses trading for less than their intrinsic value. The portfolio manager generally emphasizes a high quality portfolio and seeks absolute returns while minimizing downside portfolio risk. As a result, the Fund's returns may vary significantly from its benchmark index.

Objective

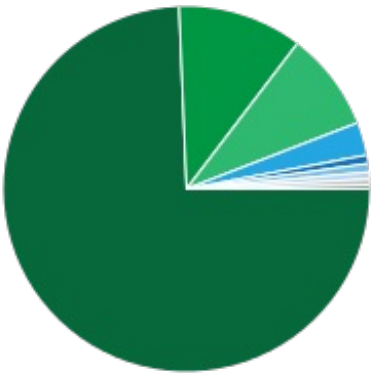
The Fund seeks to provide long-term total return.

Risk Considerations

Small- and Mid-cap stocks are considered riskier than large-cap stocks due to greater potential volatility and less liquidity. Value investing often involves buying the stocks of companies that are currently out of favor that may decline further.

Fund Stats (as of 9/30/14)	N Shares	I Shares
Origin Of Information	BNY Mellon/ FactSet	BNY Mellon/ FactSet
Sales Load	None	None
Total Net Assets (10/20/14)	$294,506,952.62	$389,787,924.47
Turnover	77%	77%
Minimum Investment	N/A	N/A
Alpha (3 yr.)	4.92	5.17
Beta (3 yr.)	0.89	0.89
R-Squared (3 yr.)	87.88	87.79
Standard Dev (3 yr.)	15.29	15.32
Sharpe Ratio (3 yr.)	1.55	1.56
Current Wtd Average P/E (trailing)	19.68	19.68
Current Wtd Average P/B (trailing)	0.95	0.95
Median Mkt Cap ($Mil)	1,021	1,021
Average Wtd Coupon	N/A	N/A
Effective Maturity	N/A	N/A

Sector Breakdown (as of 9/30/14)	
CASH EQUIVALENTS & OTHER	74.36%
MATERIALS	11.00%
INFORMATION TECHNOLOGY	8.77%
ENERGY	2.91%
FINANCIALS	0.75%
INDUSTRIALS	0.74%
HEALTH CARE	0.61%
CONSUMER STAPLES	0.52%
UTILITIES	0.35%



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: 9/30/14

Company	Ticker	CUSIP	Number of Shares	Market Value	% of Net Assets ↓
CASH EQUIVALENTS &			517,220,189	$513,837,611.34	74.35%

OTHER			517,220,189	$513,837,611.34	74.35%
SYKES ENTERPRISES INC	SYKE	871237103	1,141,182	$22,800,816.36	3.29%
PAN AMERICAN SILVER CORP	PAAS	697900108	2,022,891	$22,211,343.18	3.21%
AURICO GOLD INC	AUQ	05155C105	6,078,206	$21,212,938.94	3.06%
NEW GOLD INC	NGD	644535106	3,997,942	$20,189,607.10	2.92%
CONVERGYS CORP	CVG	212485106	702,554	$12,519,512.28	1.81%
CSG SYSTEMS INTERNATIONAL INC	CSGS	126349109	455,494	$11,970,382.32	1.73%
SILVER STANDARD RESOURCES INC	SSRI	82823L106	1,423,898	$8,685,777.80	1.25%
BENCHMARK ELECTRONICS INC	BHE	08160H101	343,535	$7,629,912.35	1.10%
QEP RESOURCES INC	QEP	74733V100	224,731	$6,917,220.18	1.00%
CONTANGO OIL & GAS CO	MCF	21075N204	206,830	$6,875,029.20	0.99%
WPX ENERGY INC	WPX	98212B103	263,033	$6,328,573.98	0.91%
FTI CONSULTING INC	FCN	302941109	145,920	$5,101,363.20	0.73%
OWENS & MINOR INC	OMI	690732102	127,818	$4,184,761.32	0.60%
AMERICAN VANGUARD CORP	AVD	030371108	329,483	$3,690,209.60	0.53%
MANTECH INTERNATIONAL CORP/VA	MANT	564563104	134,045	$3,612,512.75	0.52%
COTT CORP	COT	22163N106	523,194	$3,594,342.78	0.52%
BALDWIN & LYONS INC	BWINB	057755209	139,978	$3,457,456.60	0.50%
EMPIRE DISTRICT ELECTRIC CO/THE	EDE	291641108	99,233	$2,396,476.95	0.34%
EPIQ SYSTEMS INC	EPIQ	26882D109	118,156	$2,074,819.36	0.30%
POTLATCH CORP	PCH	737630103	43,517	$1,749,818.57	0.25%
				$691,040,486.16	**100%**

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