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

Fund Quarterly Commentary

4th Quarter 2014

Stocks delivered robust gains during the fourth quarter, helping to extend the current bull market through a sixth calendar year. Stock performance reflected good earnings results, improved economic data, falling oil prices, and a series of dovish comments from the U.S. Federal Reserve. Small-cap stocks led large-caps with the small-cap Russell 2000 Index gaining 9.7% versus 4.9% for the large-cap oriented Russell 1000 Index.

For the full year 2014, large-cap stocks dominated the market as the Russell 1000 rose 13.2% compared with just 4.9% for the Russell 2000. This marks the widest performance gap between large- and small-caps since 1998. Equally interesting was the lack of persistent selling pressure on large-caps during the year. While most indices experienced at least a modest decline between mid-September and mid-October, the longest losing streak for the broad-market S&P 500 Index during 2014 lasted just three days. According to Ned Davis Research, this is the shortest losing streak for a calendar year since data began in 1928!

Performance Review

The Fund posted a small loss during the quarter and the full year compared with a 9.4% gain for its Russell 2000 Value Index benchmark during the quarter and 4.2% gain for 2014. The same three stocks—Pan American Silver, WPX Energy, and New Gold—were the major underperformers for both the fourth quarter and the full year.

The largest detractor during the quarter was Pan American Silver. The company maintained its annual production and cost guidance, but the stock declined meaningfully along with lower silver prices and a sharp decline in precious metal stocks. We believe a strong balance sheet will allow the company to navigate through the current depressed commodity price environment and that its long-lived assets remain at an attractive discount to replacement value.

Rocky Mountain energy producer WPX Energy implemented a new corporate strategy that shifted the firm's focus from developing its vast natural gas reserves to creating a more oil-focused company. This ongoing transition required the firm to out-drill its internal cash flow generation, which has caused the firm's leverage to increase meaningfully despite some offsetting divestitures. The strategy has increased financial risk above levels we consider prudent for a business that also has operating risk. Consistent with our discipline, we sold the position during the quarter as these financial concerns emerged.

Gold miner New Gold declined significantly despite continuing to perform well operationally. Two development projects also remain on time and on budget. While the stock traded lower in the quarter along with most commodity producers, we maintained our position as the discount to our calculated Absolute Value widened.

Sykes Enterprises, a leading outsourced call center provider, was the top contributor for the quarter and full year. Sykes increased sales and improved margins as benefits from its multi-year capacity rationalization began to materialize. Management raised revenue guidance for 2014 based on the strong results and near-term operational outlook. Moreover, management's earnings per share guidance was consistent with past margin levels, a marked improvement from the last several years as the firm went through its capacity initiatives.

A second call center outsourcer, Convergys, was also a top contributor. While Convergys experienced weakening volumes with a few

large customers, overall demand trends were positive with 16 of its top 20 clients growing organically. The firm raised its margin target and earnings guidance for the year based on improved operational flexibility, increased acquisition cost synergies, and favorable foreign exchange trends. The company's balance sheet continued to improve since the completion of a large acquisition earlier in the year, with net debt now less than one times free cash flow.

Benchmark Electronics was another top contributor for the quarter and 2014. Benchmark is a leading outsourced assembler of printed circuit boards in electronic devices that focuses on complex, lower-volume programs. The firm reported favorable third quarter results based on strong demand in its three largest segments: Computing, Industrial Controls, and Telecom. Bookings continued their robust trend as the firm is benefiting from increased outsourcing in the industry and the success of its customers' products.

Portfolio Positioning

Cash levels ended the quarter at 77% of assets. Cash remained near record levels again during the quarter as most high-quality small-cap stocks continued to be expensive, in our opinion. 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 in the small-cap market and within our 300-name potential buy list. Average valuation metrics of our potential buy list remained elevated with a price/earnings ratio of 25 and price/sales of 1.9.

The largest new position added during the quarter was Unit Corp., a diversified energy company that has grown its exploration and production (E&P), fleet of drilling rigs, and midstream businesses over the past decade, with the E&P division having grown its reserves considerably. The company has a long history of successfully navigating the energy industry's booms and busts, surviving and thriving primarily due to prudent and opportunistic capital allocation between its three operating divisions.

While many energy companies have grown during the most recent energy boom, few have done so while maintaining a strong balance sheet. Unit has benefited from a capital allocation policy that relies on internally generated cash flows as its source of funds for the majority of capital investments. We expect its balanced and prudent capital allocation strategy to continue and expect its financial strength to remain above average. As the energy industry enters a difficult period of declining commodity prices, we believe it is important to focus on energy companies with long histories of maintaining financial discipline.

We believe the recent decline in energy stocks has given us the opportunity to buy Unit at a price below our calculated replacement value of its net assets. While we believe investment opportunities in the energy industry have increased along with declining prices, we remain committed to our discipline of only accepting operating or financial risk, never both. Therefore, we have been very selective in adding to existing energy holdings and new positions, such as Unit. We are only purchasing and holding energy companies with strong balance sheets and below average leverage ratios. The portfolio holds three energy companies, all of which have below average debt levels. While we may increase our positioning further assuming energy stock prices continue to decline, we expect to remain committed to energy businesses with strong balance sheets.

Outlook

The operating environment for the majority of small-cap businesses we follow continued to show improved results from a sluggish start of 2014. Although many consumer businesses report mixed results, some management commentary noted declining gas prices could improve operating results going forward. Cyclical businesses continued to show stronger than average organic growth. Examples include the auto, energy infrastructure, aerospace, and transportation industries. However, several businesses in the energy industry expressed concern about lower energy prices and slowing growth. Housing-related businesses reported mixed results with few signs of acceleration. While operating results were inconsistent throughout the year, partially due to weather-related fluctuations in demand, we believe organic growth in 2014 will be similar to what most small-cap companies experienced in 2013.

Over the past several years, there has been little change in the growth rates of the small-cap businesses we follow and analyze, on average. Nevertheless, as prices of small-cap stocks soar to record highs, our opportunity set has changed considerably. In our opinion, many of the high-quality small-cap businesses we consider for purchase have reached valuations that no longer appropriately compensate us for risk assumed. As a result, we sold, and continue to sell, many of the high-quality businesses that traditionally have been the foundation of our strategy. Selling these stocks is an extraordinarily difficult decision, as high-quality small-cap businesses with long operating histories, consistent cash flows, and strong balance sheets are the type of investments we prefer to own. Making this decision even more difficult is the fact that we are reinvesting the majority of the proceeds in cash yielding 0%. In essence, the current small-cap environment is providing us with two unattractive options—knowingly overpay for small-cap businesses or hold cash yielding 0%. As disciplined managers and as fiduciaries, we choose the latter.

While cash is yielding nothing, high-quality stocks on average continue to perform well, even as their valuations become increasingly difficult to justify. Businesses considered defensive, with consistent cash flows and below average operating risks, have performed

particularly well. A recent Bloomberg article noted, “Of the four best performing industries in the S&P 500 this year, three are what have traditionally been considered ‘defensive’ ones favored in times of economic uncertainty: health-care, utilities and consumer-staples companies.” As investors pile into these best performing sectors, we have gradually sold and currently have no exposure. Considering the current environment of limited opportunity and elevated investment risk, we empathize with investors’ desire to become more defensively positioned. Furthermore, we agree that high-quality businesses are often attractive investments, especially near the end of a profit and market cycle, which we believe is approaching. However, at current prices, we do not consider high-quality stocks to be defensive or safe, but rather expensive high-risk investments.

We believe it is important to distinguish between operating risk and investment risk. Although a high quality business with consistent operating results and a strong balance sheet may have below average operating risk, if investors place too high of a premium on quality, the stock of the business may possess above average investment risk. In other words, high-quality companies may be great businesses, but they do not always make great investments. While most investors proudly communicate the high quality nature of their investments, few discuss the possibility or consequence of overpaying for this quality. In our opinion, mispricing quality is an important investment risk and one that is extremely relevant today given current prices of most high quality small cap stocks.

Although quality is frequently sought after by investors, it can be abstract, difficult to quantify, and challenging to value. Measuring the variables included in the assessment of quality often requires considerable subjectivity. Examples include measuring the value of management, competitive advantages, brands, and other intangible assets. To reduce subjectivity, some investors attempt to measure quality through quantitative variables such as a company’s growth rate, profit margins, and returns on capital. However, objective measurements of quality can fluctuate as a business progresses through its natural earnings cycle, life cycle, and changing competitive landscape. Measurements of quality, objective and subjective, can change gradually or with little notice. Unexpected shifts in quality perceptions can come from many sources, including company-specific events, industry trends, and macroeconomic forces. Such shifts in perception can lead to a meaningful change in the premium investors place on the quality of a business, which ultimately can lead to a valuation error. For example, it was only a few months ago when investors considered energy companies to have tremendous growth potential and high quality assets. With oil prices and expected earnings of energy companies down sharply, the perception of quality within the Energy sector has shifted abruptly.

We believe the current quality premium for most small-cap businesses is too high and investors are mispricing quality. This is not a new investment phenomenon as history is littered with many examples of quality mispricing. Many high-quality businesses benefited from the increase in demand created by the last cycle’s (2003-2008) surge in consumer credit. Their stocks soared during most of the cycle, but eventually suffered meaningful losses as the credit boom turned to bust. During the late 1990s and early 2000s, high quality multinational companies such as Coke (KO) and Gillette (G) traded at extremely expensive valuations (69x and 47x earnings, respectively, at the end of 2000). Despite the high quality characteristics of these businesses, their stocks’ frothy valuations could not be justified and investors eventually incurred meaningful losses. Going back further, the “Nifty Fifty” of the late 1960s, an unofficial list of blue-chip growth companies such as Polaroid, Sears Roebuck, and Xerox, is another good example of elevated quality premiums. Often considered “one decision stocks” (buy and never sell at any price), the Nifty Fifty’s popularity pushed their valuations to staggering heights by the end of 1972 (average price-to-earnings ratio of 42x). This too ended badly for investors caught up in the mania, with many of the Nifty Fifty stocks declining meaningfully in the 1973-1974 bear market. In fact, the over-valuation was so severe that these stocks underperformed the broader market for the next several decades, highlighting the damage caused from investors overpaying for quality.

We form our opinion on the pricing of quality from our analysis and valuation work performed on our 300-name possible buy list. Specifically, we are noticing considerable overvaluation within the top performing defensive sectors—Consumer Staples, Health Care, and Utilities. The consumer staple and health-care stocks on our buy list have average price/earnings ratios (P/E) of 37 and 27, respectively (as of 12/22/14). The utility stocks on our possible buy list trade at 1.8x book value (our preferable valuation metric for utilities) on average. In addition to our high quality opportunity set being expensive in aggregate, we find similar overvaluation when analyzing individual businesses. Examples from our possible buy list include stocks we owned in the past, such as Papa John’s International (Consumer Staple), ICU Medical (Health Care), and Portland General Electric (Utility). All have seen tremendous price appreciation and multiple expansion. Over the past five years, Papa John’s stock has increased 386% while its P/E has increased to 39 from 11. During the same period, ICU Medical’s stock increased 125% with its P/E expanding to 37 from 20. Lastly, Portland General, an electric utility, has seen its stock return 127% and its price/book ratio increase to 1.6 from 1.0. While Wall Street may consider these stocks and sectors defensive, at current prices, we believe investors are overpaying and incurring significant investment risk.

As investors crowd into high-quality businesses, many commodity stocks have performed poorly. Due to the sharp decline in price,

we believe many high quality commodity businesses are now selling at attractive discounts to our calculated net asset valuations. At current prices, commodity businesses differ considerably from the average high-quality small-cap stock. While commodity businesses have above average operating risk given the unpredictability of their future cash flows, we believe many highly capitalized commodity businesses now possess below average investment risk. Also in contrast to most high-quality small-cap stocks, valuation multiples of commodity stocks have contracted considerably. For example, the price of Pan American Silver, our top commodity position, has declined sharply over the past two years (down 47%), while its valuation multiple has contracted considerably. Specifically, its price/book ratio (our preferable valuation ratio for asset heavy companies) is currently 0.66 versus its five-year average of 1.69.

As prices decline, we are opportunistically purchasing out-of-favor commodity stocks at discounts to our calculated replacement value. Commodity stocks currently represent 13% of the Portfolio (10% in precious metal miners and 3% energy). We have found commodity businesses tend to sell at attractive valuations when their underlying commodity is selling near or below their cost of production, as is the case currently. While we do not have an opinion on the direction of commodity prices near-term, we do not believe commodity prices will remain depressed indefinitely. We believe commodity prices that are either too high or too low eventually resolve themselves by inevitable adjustments to supply and demand. However, the exact timing of these adjustments is unpredictable. Therefore, in order to survive a prolonged period of depressed commodity prices, we believe it is essential to focus only on commodity businesses with strong balance sheets.

In addition to commodity stocks, we consider the portfolio’s large position in cash to be out-of-favor and contrarian. While we consider our decision to buy commodity positions as opportunistic, our decision to hold a large cash balance is one of necessity. Our process and discipline require us to remain patient when we are not adequately compensated to assume risk. We believe, given the current unfavorable opportunity set, maintaining discipline and remaining patient has caused the portfolio’s positioning to be extremely contrarian. To date, our contrarian holdings of cash and commodity stocks have caused the Fund to underperform its peers and benchmark. The portfolio’s underperformance is also a result of our decision to avoid high-quality small-cap stocks that we believe are overvalued, but continue to increase in price. A recent Yahoo Finance article, “Record Stock Rally to Continue as Funds Chase Performance” illustrates this trend. The article quotes a fund manager who opines that the year-end rally will cause fund managers to chase top-performing stocks. The manager notes, “Whatever has been working this year basically gets turbocharged and people pile into those names.”

Piling into what is working and avoiding what is not has been a very successful investment strategy in the later stages of the current market cycle. Such investor behavior and disregard for valuation is similar to past cycles. As has been the case historically, periods of performance chasing and the mispricing of assets and risk can persist longer than most investors believe possible. The current profit and market cycle is in its sixth year and appears determined to forge ahead. We cannot time markets and do not have a strong opinion on the near-term future direction of small-cap stocks. Nevertheless, we remain committed to our investment discipline, which has currently led us to invest opposite of the crowd —we are attracted to what is not working and avoiding what is.

In conclusion, through our analysis and valuation work, we continue to believe most high quality small-cap businesses remain very expensive and purchasing at current prices would ultimately lead to poor long-term investment returns and possible permanent loss of capital. While our shift into cash and out-of-favor areas of the small-cap market has caused performance to deviate considerably from our peers and benchmark, we believe the portfolio’s positioning is essential in allowing us to navigate successfully through the later stages of the current profit and market cycle. The Fund’s large cash position will provide us with the necessary liquidity to take advantage of the eventual shift in our opportunity set. Furthermore, we believe the portfolio’s out-of-favor equity holdings have increased its overall discount-to-value, increasing the potential for future return. Lastly, by avoiding what is popular and in our opinion expensive, we believe we reduced the risk of incurring permanent loss of capital. We are uncertain as to when the current popular investment trend of “buy what is working and avoid what isn’t” ends. However, we remain committed to maintaining our discipline and refuse to overpay for high-quality small-cap businesses. At this stage of the current profit and market cycle, we believe it is extremely important to avoid overpaying and seeking the intellectual warmth and comfort of the crowd. We continue to think and invest independently.

River Road Asset Management

As of December 31, 2014, Pan American Silver comprised 3.24% of the portfolio's assets, WPX Energy – 0.00%, New Gold – 3.23%, Sykes Enterprises – 2.97%, Convergys – 2.24%, Benchmark Electronics – 1.01%, and Unit Corp. – 1.11%.

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 12/31/14			Annualized Returns (%) Period ended 12/31/14					
	Month	3 Months	YTD	1 yr	3 yr	5 yr	10 yr	Since Incept.	Incept. Date
Fund Class N Shares (ARIVX)	-0.14	-1.40	-2.28	-2.28	4.19	N/A	N/A	5.00	12/31/2010
Fund Class I Shares (ARVIX)	-0.14	-1.39	-2.00	-2.00	4.46	N/A	N/A	3.29	6/1/2011
Russell 2000 Value Index	2.73	9.40	4.22	4.22	18.29	14.26	6.89	11.83	12/31/2010
Category: Small Value	2.01	6.35	3.34	3.34	17.72	13.97	7.40	11.79	12/31/2010

Calendar year-end returns

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund Class N Shares (ARIVX)	N/A	7.09	8.09	7.80	N/A	N/A	N/A	N/A	N/A	N/A
Fund Class I Shares (ARVIX)	N/A	7.34	8.37	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 Value Index	0.00	34.52	18.05	-5.50	24.50	20.58	-28.92	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 12/31/2014

	Overall	1 yr	3 yr		5 yr		10 yr	
	Rating	Rank	Rating	Rank	Rating	Rank	Rating	Rank
Fund Class N Shares (ARIVX)	★	92	★	99	N/A	N/A	N/A	N/A
Fund Class I Shares (ARVIX)	★	91	★	99	N/A	N/A	N/A	N/A
Total # funds in category	352	396	352		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

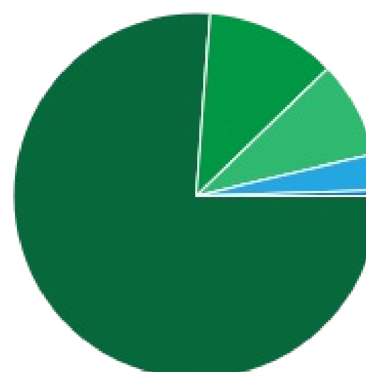
The Fund seeks to provide long-term total return.

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 12/31/14)	N Shares	I Shares
Origin Of Information	BNY Mellon/ FactSet	BNY Mellon/ FactSet
Sales Load	None	None
Total Net Assets (1/30/15)	$272,272,913.25	$306,813,882.71
Turnover	91%	91%
Minimum Investment	N/A	N/A
Alpha (3 yr.)	-0.81	-0.57
Beta (3 yr.)	0.28	0.28
R-Squared (3 yr.)	42.54	42.34
Standard Dev (3 yr.)	5.65	5.69
Sharpe Ratio (3 yr.)	0.74	0.78
Current Wtd Average P/E (trailing)	21.22	21.22
Current Wtd Average P/B (trailing)	0.98	0.98
Median Mkt Cap ($Mil)	1,074	1,074
Average Wtd Coupon	N/A	N/A
Effective Maturity	N/A	N/A

Sector Breakdown (as of 12/31/14)	
CASH EQUIVALENTS & OTHER	76.20%
MATERIALS	11.57%
INFORMATION TECHNOLOGY	8.53%
ENERGY	3.18%
FINANCIALS	0.51%



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: 12/31/14

Company	Ticker	CUSIP	Number of Shares	Market Value	% of Net Assets ↓
CASH EQUIVALENTS &			443,285,575	$443,760,083.92	76.20%

OTHER			443,285,575	$443,760,083.92	76.20%
AURICO GOLD INC	AUQ	05155C105	5,853,302	$19,198,830.56	3.29%
PAN AMERICAN SILVER CORP	PAAS	697900108	2,054,077	$18,897,508.40	3.24%
NEW GOLD INC	NGD	644535106	4,387,403	$18,865,832.90	3.23%
SYKES ENTERPRISES INC	SYKE	871237103	738,221	$17,326,046.87	2.97%
CONVERGYS CORP	CVG	212485106	640,644	$13,049,918.28	2.24%
CSG SYSTEMS INTERNATIONAL INC	CSGS	126349109	396,764	$9,946,873.48	1.70%
QEP RESOURCES INC	QEP	74733V100	406,191	$8,213,182.02	1.41%
UNIT CORP	UNT	909218109	189,611	$6,465,735.10	1.11%
BENCHMARK ELECTRONICS INC	BHE	08160H101	231,634	$5,892,768.96	1.01%
SILVER STANDARD RESOURCES INC	SSRI	82823L106	1,165,098	$5,831,315.49	1.00%
AMERICAN VANGUARD CORP	AVD	030371108	394,548	$4,584,647.76	0.78%
CONTANGO OIL & GAS CO	MCF	21075N204	131,422	$3,842,779.28	0.65%
MANTECH INTERNATIONAL CORP/VA	MANT	564563104	115,035	$3,477,508.05	0.59%
BALDWIN & LYONS INC	BWINB	057755209	115,416	$2,975,424.48	0.51%
				$582,328,455.55	**100%**

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