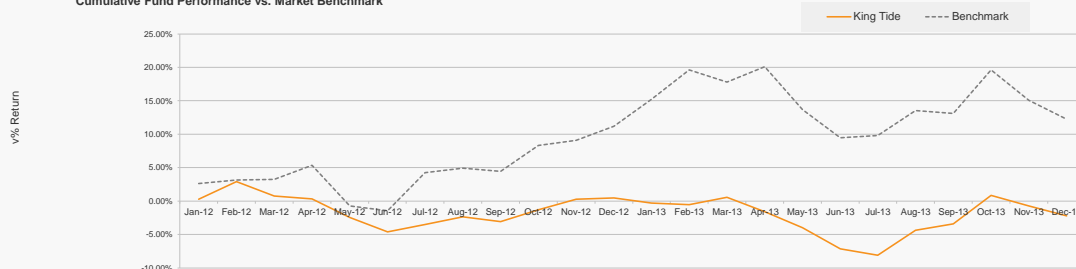


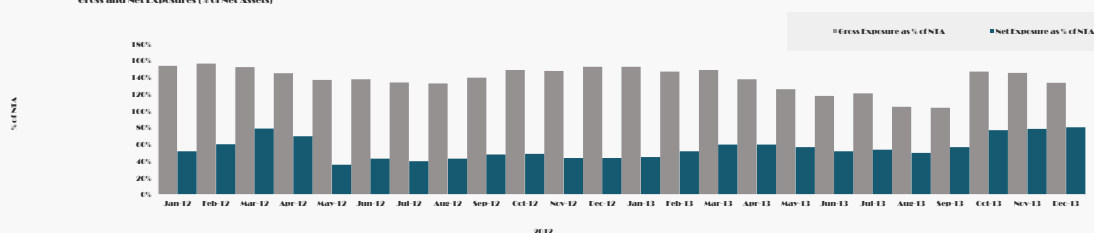
Fund Overview

King Tide Asset Management Limited (King Tide, or KTAM) is a specialist and independent investment management company based in New Zealand, and the manager of a new boutique fund, the KTAM NZ/Australian Long/Short Equity Fund (the Fund). • The Fund aims to provide local and international investors with diversified, active exposure to New Zealand and Australian equity markets through allocating capital to a select group of funds (underlying funds) domiciled in these markets whose principal activity is long/short equity investment. • The Fund's investment objective is to achieve positive absolute returns over any rolling three to five year period irrespective of market trends. • By moving beyond traditional US-European-Asian markets to embrace Australian and New Zealand equities, the Fund offers investors active diversified exposure to robust commodity-based economies, both with well developed regulatory regimes and growing capital markets.

Cumulative Fund Performance vs. Market Benchmark



Gross and Net Exposures (% of Net Assets)



Monthly Performance Review

King Tide returned -1.53% in December, compared to -2.47% for our benchmark. In AUDs, KT was up 1.72%.

Having said in last month's newsletter that we thought the currency headwind was mostly behind us, December saw a further 3.3% appreciation in the NZ dollar versus the AUD. We went into the month 10% hedged, and increased this to 20% by month end.

When you look at our Australian based funds, of which we had nine (we redeemed Optimal at the end of December, reducing the number to eight), their average return in AUDs was 1.52%, which compares favourably with our benchmark's 0.75% gain in AUDs. Our three NZ based funds, were down -1.55% on average, versus the benchmark's -2.47% when measured in NZDs. Our NZ managers have a fair bit of Australian exposure and are facing the same dilemma with the currency as we are, so part of their December returns were a result of not being fully hedged against a weaker AUD.

Despite our NZ managers poor numbers, in absolute terms, their results for the year have been excellent.

PIE Emerging Companies Fund, which we invested in at its inception in April 2013, has risen 57%. The Australasian Growth Fund gained 23.5% in 2013, and over the two years we have been operating, is up 83%. Our third fund, Aspiring, gained 12.4% in 2013, and is up 33% over the last two years. Since inception in May 2007, Aspiring have been adept at protecting their portfolio in down markets, which has led to their cumulative return of 87% versus the NZ market's (incl dividends) 10%.

In December, three of our Australian managers stood out. Atlantic, which we have covered in previous reports, rose 4.7%, Regal Australian Long/Short Fund was up 2.4% and Auscap gained 2.5%. In a market which rose 0.6%, these are very good numbers. Over 2013 these three managers gained 44%, 27% and 52% respectively (in AUDs - in NZDs, these returns become 24%, 10% and 31%).

Over the last six months, King Tide has been tracking well. We have gained 5.3% versus the benchmark's 2.5%, and we are looking forward to building on this going forward.

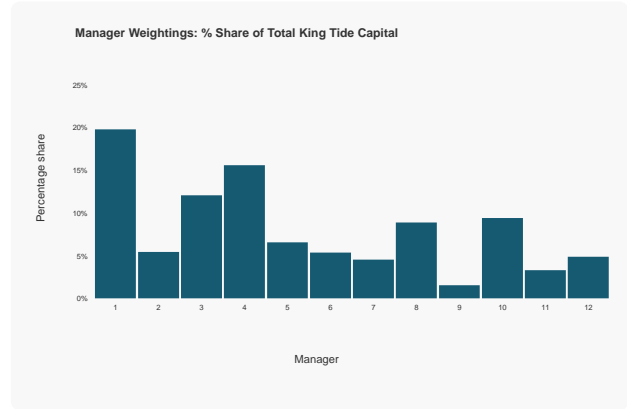
Over that period, our three worst performing managers were Evergreen, Optimal and Vinva. Of these, only Evergreen truly lost capital, and we were fortunate to reduce this position and then fully redeem in August, before the fund totally melted down and closed. Optimal and Vinva are quality managers, but have made only nominal gains in the last two years and were basically flat (in AUDs) in the last six months. We have now exited all three of these funds, and in their place, have added Auscap, Watermark, Wavestone and Wilson.

Of these, only Auscap is a new fund. Wavestone began in Sep 2006, and has gained 137% versus the ASX200's 5% rise. Wilson has three funds listed on the Australian market, all trading at premiums, and an unlisted fund which we are in. It began in January 1998, and has averaged 23.7% p.a. vs the All Ords (incl dividends) 8.9% p.a.

Watermark has an equally impressive track record. The common factor in all of these funds, is the managers' ability to limit losses in down markets. This is an advantage which we expect will show through in time.

Fund Facts

Fund size	NZ\$9.9m
Inception Date	January 1, 2012
Min. Investment	NZ\$10,000
Unit Price	0.98
Annualised Return	-1.11%
Return Since Inception	-2.20%
Annualised SD	7.19%
Sharpe Ratio (RFR=RBA cash)	-0.28%
Largest Drawdown	-9.40%
% Positive Months	46%
Administration	Adminis
Legal Counsel	Minter Ellison Rudd Watts
Auditor	PWC



Note: An updated version of our prospectus and investment statement are both available on our website

King Tide's performance is expressed in NZ dollars, and currency fluctuations may significantly impact on the volatility of the fund. In July 2013, the manager changed the investment mandate to allow currency hedging to be used to manage this currency risk. The Manager will actively manage the Fund's Australian dollar exposure with a view to reducing risk and enhancing returns to our investors.

King Tide - Fund Performance vs. Benchmark (Net of Fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	0.29%	2.61%	-2.09%	-0.45%	-2.75%	-2.23%	1.16%	1.19%	-0.74%	1.83%	1.63%	0.15%	0.44%
King Tide AUD	2.49%	2.98%	-0.76%	-1.09%	-4.14%	-1.04%	-0.47%	1.97%	2.00%	1.06%	0.84%	1.17%	4.89%
Blended Benchmark	2.61%	0.51%	0.12%	2.02%	-5.75%	-0.76%	5.80%	0.64%	-0.47%	3.70%	0.72%	1.96%	11.21%
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.73%	-0.23%	1.09%	-2.15%	-2.41%	-3.30%	-1.03%	4.04%	1.00%	4.44%	-1.56%	-1.53%	-2.66%
King Tide AUD	0.65%	0.29%	0.32%	0.60%	-1.78%	-1.90%	4.03%	1.88%	3.59%	2.45%	0.48%	1.72%	12.85%
Blended Benchmark	3.62%	3.83%	-1.53%	1.93%	-5.36%	-3.67%	0.28%	3.42%	-0.38%	5.73%	-3.77%	-2.47%	0.93%

No person, including King Tide, or its directors and staff referred to in this document, guarantees the performance of the Fund. Past returns of selected underlying funds do not guarantee future returns for investors in this Fund. This document does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation. No action has been taken that would permit a public offering in any jurisdiction where action for that purpose would be required.