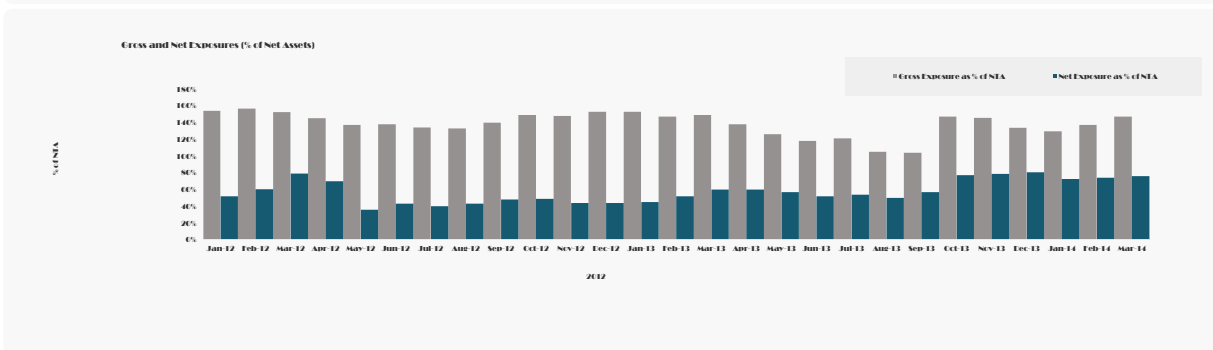
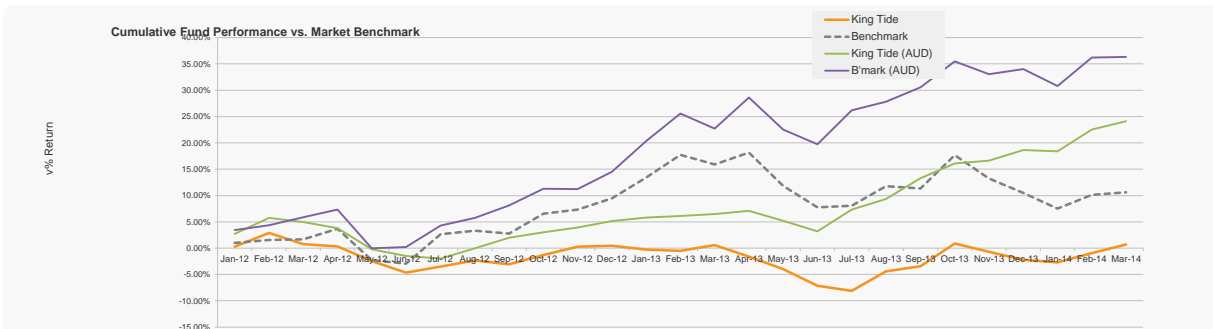


**Fund Overview**

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.



**Monthly Performance Review**

The Fund rose 1.63% in March, compared with a rise of 0.43% for our 90/10 benchmark (90% XJO/10% NZX50). In AUDs, the King Tide Fund rose 1.29%. The XJO (ASX200) was down -0.19% in March while the NZX50 rose 3.0%.

Over the financial year King Tide has outperformed its market benchmark by 4.7% and over six months has beaten the market by 4.9%.

The strong appreciation of the NZD against the AUD, has offset most of the gains our managers have generated, but even so, from our low point in July last year to now, King Tide has gained 9.6% in NZDs versus the benchmark's 2.4%. Measured in AUDs, our return over this period has been 15.7%.

The tables on page two shows we are still lagging the benchmark since inception, but the gap is closing.

All but one of our Australian based managers, as well as PIE, which only has one small position in NZ, outperformed the Australian market in March. In fact the average performance of the ten Australian funds we invest in was +1.7% versus the Australian market's -0.2%. PIE Emerging Companies Fund, which has no NZ equity positions, rose 5.4%, and the larger PIE Australasian Growth Fund, which has just 2.3% in NZ equities, rose 1.3%.

Gross exposure of the Fund rose in March with the addition of LHC Capital, and the increased allocations to a number of our other managers as set out in last month's newsletter..

It is interesting to note the various weightings of our underlying managers. Gross exposure, which adds long and short positions together ranges between 67% (Wilson) and 514% (Atlantic). Net exposure (gross exposure minus short positions), has a range of 1% (Watermark) to 207% (Atlantic). Most funds currently sit between 55% and 75% net long.

King Tide managers' weighted average gross exposure at the end of May was 147%, with net exposure of 76%. This is a relatively high net for KT, having risen steadily from a low of 40% in July 2012. You can follow this on the bar chart above.

The lowest gross exposures come from those managers who do not generally run large short positions, but prefer to move to cash to protect capital. We put Aspiring, Wilson, and PIE in this category. PIE does have between 10% and 20% of its equity exposure covered by index shorts right now, but is also carrying 20% to 30% cash in its two funds. Aspiring has 24% in cash and Wilson has 35% in fixed interest and cash with only 3% in short positions.

Both Wilson and Aspiring have excellent track records in down markets. Wilson for example, since its inception in July 1998, has outperformed the Australian market in up months, but has lost less than one third of the market's fall when markets are down. As a result, it has risen 1,122% versus the market's 167%. That is 17% p.a. versus the market's 6% p.a.

Geoff Wilson is one of those rare breed of managers that can maintain a high level of performance year after year. In the last three and five years, his fund has doubled the p.a. return of the market and over one year, is up 18% versus the market's 11%.

Reading through the monthly reports from managers there are certain common themes that recur. One is the concerns over China's growth and the impact this may have on Australia. Another is the strength of the Australian banks, with benign bad debt conditions, good credit growth and low funding costs. Valuations however do look full at 14x next year's earnings. The outlook for the mining sector is still negative, with iron ore prices expected to decline further.

The forces at work in various sectors in the Australasian market provide opportunities for long/short managers.

Fund Facts	
Fund size	NZ\$10.1m
Inception Date	January 1, 2012
Min. Investment	NZ\$10,000
Unit Price	1.01
Annualised Return	0.20%
Benchmark	90% XJO/10% NZX50
Buy/sell spread	0.25% on application and redemption
Liquidity	Monthly with 35 days notice
Administration fees	0.75% total, incl Trustee, Custodian, Audit
Performance fee	10% with high water mark
Administration	Adminis
Legal Counsel	Minter Ellison Rudd Watts
Auditor	PWC

Fund Performance			
	KT NZD	KT AUD	Benchmark
1 Month	1.63%	1.29%	0.43%
3 Month	2.99%	4.64%	0.13%
6 Month	4.27%	9.58%	-0.64%
1 Year	0.12%	16.60%	-4.60%
2 Year	-0.04%	8.75%	4.31%
Inception p.a.	0.20%	9.51%	4.50%
Annualised SD	6.85%		10.45%
Beta	0.42		1.00
Largest monthly loss	-3.30%		-5.75%
Sharp Ratio (RFR=RBA cash)	-0.17%		0.08%
Avg Return in Market Positive Mths	0.84%		2.33%
Avg Return in Market Negative Mths	-1.21%		-2.56%

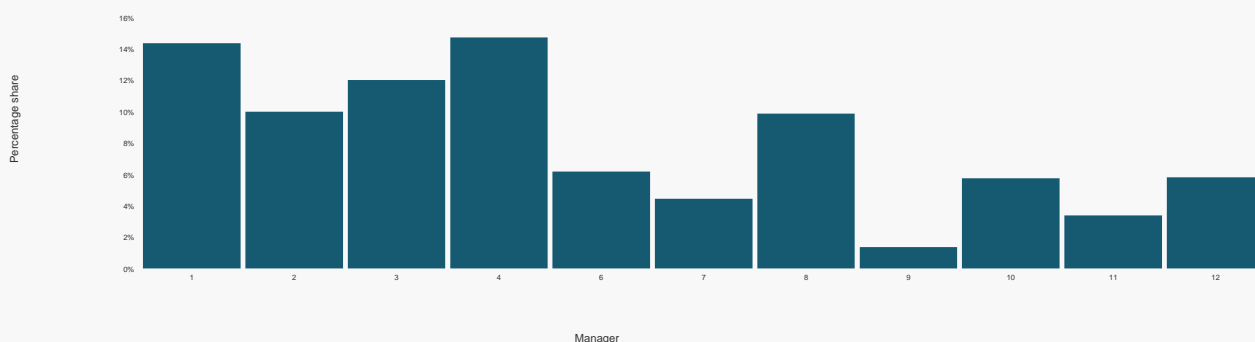
Note: An updated version of our prospectus and investment statement are both available on our website

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)

2012	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	2.71%	2.98%	-0.76%	-1.09%	-3.90%	-1.29%	-0.47%	1.97%	2.00%	1.06%	0.84%	1.17%	5.12%
Blended Benchmark	1.01%	0.51%	0.12%	2.00%	-5.75%	-0.71%	5.80%	0.64%	-0.52%	3.69%	0.72%	1.96%	9.43%
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.73%	-0.23%	1.09%	-2.16%	-2.41%	-3.30%	-1.03%	4.04%	1.00%	4.44%	-1.56%	-1.53%	-2.67%
King Tide AUD	0.65%	0.29%	0.33%	0.59%	-1.78%	-1.90%	4.03%	1.88%	3.59%	2.47%	0.48%	1.72%	12.85%
Blended Benchmark	3.61%	3.83%	-1.53%	1.93%	-5.36%	-3.67%	0.28%	3.42%	-0.38%	5.73%	-3.77%	-2.47%	0.94%
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.46%	1.81%	1.63%										2.99%
King Tide AUD	-0.22%	3.53%	1.29%										4.64%
Blended Benchmark	-2.64%	2.41%	0.43%										0.13%

Manager Weightings: % Share of Total King Tide Capital



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.

