

#### 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 the KTAM NZ/Australian Long/Short Equity Fund (the Fund). • The Fund aims to provide local and international investors with diversified, active exposure to Australian and New Zealand equity markets through allocating capital to a select group of funds domiciled in these markets • We research and select from more than fifty risk-based equity funds operating in Australasia, and allocate capital to between eight and fifteen of them • We constantly monitor existing and new funds, making changes as we see fit • The Fund's investment objective is to achieve positive absolute returns over any rolling three to five year period irrespective of market trends • We believe that minimising losses is central to growing your wealth over time • We also believe in 'skin in the game' and all of our managers are large investors in their own funds • In keeping with this principle, King Tide Directors are the largest investors in the Fund • King Tide has a simple and transparent structure, with strong administration and compliance

| Fund Facts          |                                             | Fund Performance                   |        |        |           |
|---------------------|---------------------------------------------|------------------------------------|--------|--------|-----------|
| Fund size           | NZ\$10.8m                                   |                                    | KT NZD | KT AUD | Benchmark |
| Inception Date      | January 1, 2012                             | 1 Month                            | -2.99% | 1.01%  | -6.84%    |
| Min. Investment     | NZ\$10,000                                  | 3 Month                            | -2.87% | 0.80%  | -7.11%    |
| Unit Price          | 1.08                                        | 6 Month                            | 2.79%  | 3.67%  | -3.31%    |
| Annualised Return   | 2.25%                                       | 1 Yr                               | 7.48%  | 10.49% | -1.74%    |
| Benchmark           | 90% XJO/10% NZX50                           | 2 Yr p.a.                          | 3.15%  | 11.66% | 1.82%     |
| Buy/sell spread     | 0.25% on application and redemption         | Inception p.a.                     | 2.25%  | 9.01%  | 3.69%     |
| Liquidity           | Monthly with 35 days notice                 | Annualised SD                      | 7.19%  | 5.87%  | 11.65%    |
| Administration fees | 0.75% total, incl Trustee, Custodian, Audit | Beta                               | 0.42   | 0.34   | 1.00      |
| Performance fee     | 10% with high water mark                    | Largest monthly loss               | -3.30% | -3.90% | -6.84%    |
| Administration      | Adminis                                     | Sharp Ratio (RFR=RBA cash)         | -0.03  | 1.11   | 0.10      |
| Legal Counsel       | Minter Ellison Rudd Watts                   | Avg Return in Market Positive Mths | 1.17%  | 1.31%  | 2.55%     |
| Auditor             | PWC                                         | Avg Return in Market Negative Mths | -1.31% | -0.27% | -3.09%    |

#### Monthly Performance Review

November saw the biggest fall in our benchmark since we started in January 2012. The combination of a very weak Australian dollar (-4.0% against the NZD), and a weak Australian equity market (the ASX200 fell -3.9%) resulted in a fall of -6.8% for our benchmark, wiping out most of 2014 gains. The NZX50 rose 0.6%.

King Tide managers outperformed the market, and November's -3.0% loss still leaves our investors ahead by 9.2% this year.

Currency continues to play a huge part in our returns. As the chart above shows, when measured in Australian dollars King Tide gained 1.0% in November, and from inception, has gained 29.6%. This shows that underlying managers are making solid gains in their own currency, which will ultimately drive the returns of this fund. In the short term, we are trying to hedge at least some of our AUD exposure, while still leaving the downside open to recover past currency losses.

Manager results for Australian based funds in November ranged between +1.1% to -3.3%. The average return was -0.9%, which was less than one quarter the fall of the market.

New Zealand based managers made money, ranging between +0.4% and +2.1%. In the case of the two PIE funds we are in, these were very good results given they are mostly invested in Australia. They are cautiously positioned, with net exposure of just 69% (Australasian growth) and 53% (emerging companies). They are also at least 50% hedged in terms of currency exposure. Aspiring, our other NZ manager, gained 0.7%, and this again is a creditable result, outperforming the NZ market despite a 22% allocation to Australian companies. The result was all the more notable given they were unhedged in terms of their currency exposure, which cost them -1.0%.

Aspiring made good money in most of its NZ and Australian positions. Notable winners in November were Heartland, Vista, Air NZ and Orion Healthcare, in which they had a pre-ipo investment. The successful float of Orion added 0.5% to their return in the month.

When investing in a fund like King Tide, you sometimes forget that you are actually investing in businesses, and hopefully in the best businesses in Australia and NZ. Aspiring's selections show that as an investor, you are participating in the opportunities on offer in the share market, but you are doing it

via a team of experienced professionals. Individuals in NZ, are restricted to a buy and hold strategy, unless they are prepared to pay tax on their capital gains. Professional managers, like PIE and Aspiring, can buy and sell shares as often as they like, and pay no tax. This is a huge advantage. An individual buying and selling shares regularly, would have to make 50% more than a professional investor just to achieve the same after tax return.

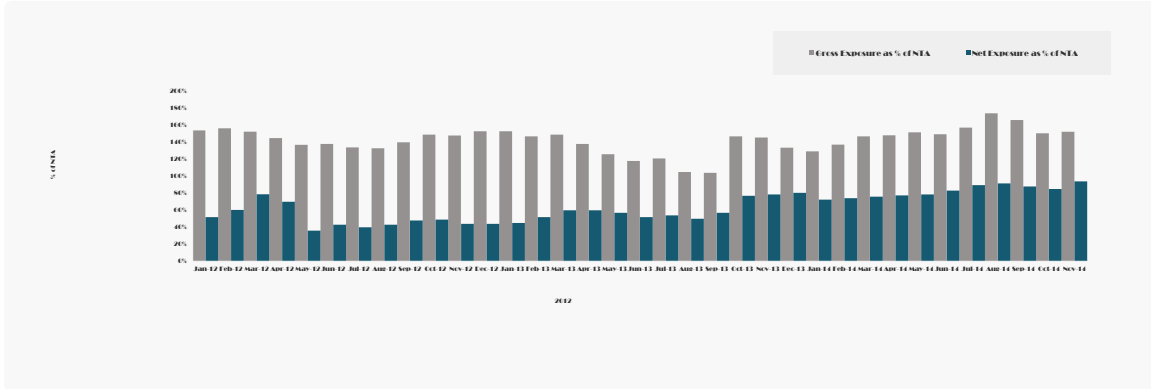
The best of our Australian managers in November was Kardinia, which is one of our largest positions. It's 1.1% gain was achieved with net exposure of 58.1%. Hedging contracts were employed to hedge market risk, and short positions in NAB and UGL and long positions in Amcor and Dulux made money, offsetting losses in Qube Holdings, Oil Search, Simonds Group and Challenger. Gross exposure was just 66.5%. Kardinia is an extremely conservative manager, and actively manages its market exposure. In the last 3 months, it has gained 2.1% in a market (ASX200) which has fallen -5.6%. This characterises Kardinia's longer term track record of outperforming in down markets which has enabled them to compound since inception (May 2006) at 13.0% p.a. versus the ASX20's 0.1% p.a.

LHC Capital is one of our smaller allocations. The full name includes 'Australia High Conviction Fund'. The managers, Stephen Aboud and Marcus Hughes are two very experienced Australian equity managers who started LHC in May 2011. November was a tough month for them, with two positions accounting for 85% of the -2.7% loss. Rubik Financial and Mayne Pharma fell -9.3% and -14.5% respectively. LHC still likes and is holding both of these positions. LHC conducts in depth research into their 'high conviction' positions. They prefer to invest in a few great ideas, rather than spread themselves too thinly trying to cover many companies. Their results have been very good to date, with an overall gain of 105% versus the ASX200's 13.2% and the S&P ASX Small Ords -17.3%.

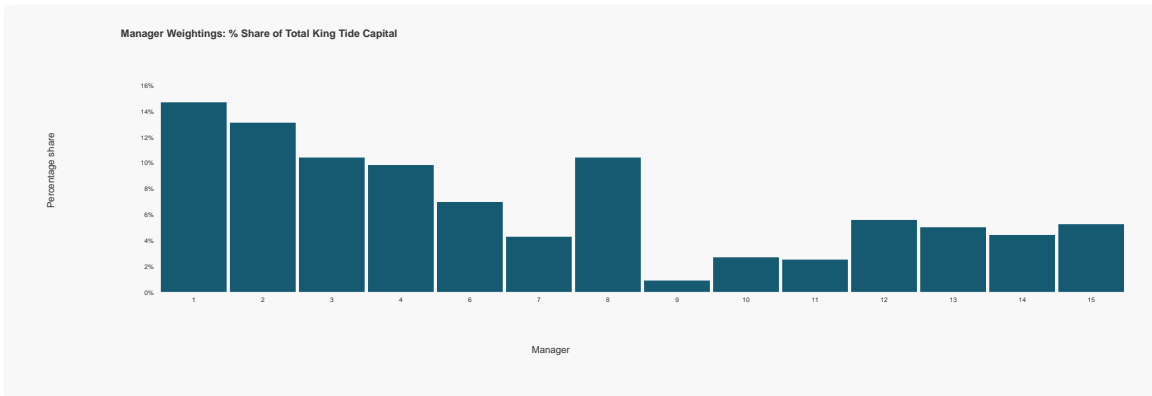
In December, at month end, we are adding to LHC, Watermark, Wavestone Smallco and Wilson. We are also adding a new fund, Perpetual Pure Equity Alpha Fund. This fund is managed by two highly regarded and experienced managers. The fund, launched in March 2012, has risen 30.8% versus the ASX200's 23.6%, but has done so with less than one third of the volatility. It has, based on monthly averages, made money when markets have risen and when markets have fallen.

| 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%  | 0.55%  | 2.54%  | -1.46% | 3.27%  | 4.00% | -1.02% | 1.15% | -2.99% |        | 9.15%  |
| King Tide AUD                                            | -0.22% | 3.53%  | 1.29%  | -0.34% | 0.86%  | 0.26%  | 1.71%  | 1.79% | -1.29% | 0.32% | 1.01%  |        | 9.21%  |
| Blended Benchmark                                        | -2.64% | 2.41%  | 0.43%  | 2.57%  | 1.45%  | -3.17% | 5.45%  | 1.94% | -5.04% | 5.00% | -6.84% |        | 0.74%  |

Gross and net exposure (% of Net Assets)



Manager Weightings: % Share of Total King Tide Capital



**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.