

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 personnel are the largest investors in the Fund • King Tide has a simple and transparent structure, with strong administration and compliance

Fund size	NZ\$15.6m		KT NZD	Benchmark
Inception Date	January 1, 2012	1 Month	5.07%	3.34%
Unit Price	1.366080	6 Month	12.80%	-4.58%
Since Inception p.a.	7.5%	1 Yr	24.40%	5.12%
Benchmark	90% All Ords Accum/10% NZX50	2 Yr p.a.	15.63%	3.49%
Application	Monthly	3 Yr p.a	9.79%	5.35%
Liquidity	Monthly with 35 days notice	Annualised SD	7.39%	11.15%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.46	1.00
Performance fee	10% with high water mark	Largest monthly loss	-3.30%	-6.26%
Administration	Adminis	Sharp Ratio (RFR=RBA cash)	0.68	0.42
Legal Counsel	Minter Ellison Rudd Watts	Avge Return in Market Positive Mths	1.57%	2.55%
Auditor	PWC	Avge Return in Market Negative Mths	-1.20%	-3.08%

Monthly Performance Review

King Tide rose +5.1% in November, recording its best ever month. The fund's benchmark rose +3.3%. Currency gains contributed as we took steps to reduce our cover, but the strong gains were mainly due to another great set of results from our underlying managers, who have shown their ability to navigate the very choppy market conditions.

The Australian market was down -0.7% in November after its +4.6% rally in October. All of our Australian based managers made money in November and their average return was +3.03%.

Despite the weak share market, the AUD rallied +4.0% turning the -0.7% into a +3.4% gain for NZ investors.

NZ shares rose +1.9% and our NZ based managers rose on average +4.3%.

In this report we have changed the benchmark in the table on page two to conform with the benchmark on page one. Some time ago we decided to change from using the ASX200 in our blended benchmark to the All Ords Accumulation, which includes dividends. We think it is a better measure of the returns on offer in the Australian market and is the measure most commonly used by Australian equity funds.

In 2015, the Australian share market as measured by the All Ords Accumulation Index has gained just +1.1% despite being up +10% in January/February. In the last nine months, there have been six negative months, two of which, June and August, were large (-5.4% and -7.3%). King Tide has been positive in each of those six down months.

This outperformance in down months has been a feature of King Tide's returns since inception. What has improved in the last two years has been our up-capture, that is, how much we rise in markets when they are rising. Over two years, our up-capture has been 0.88 and our down capture just 0.18. That is, we have captured 88% of the markets gain in positive months but have lost just 18% as much as the market in down months.

This has resulted in a total return of +33.7% versus the benchmark's +7.1%. King Tide's byline is higher returns with lower volatility, and we are delivering on this objective.

The performance in November of our underlying managers was once again exceptional. As I said above, the average return of our Australian based funds, in AUDs, was +3.03% versus the Australian markets -0.69%.

The range of returns was +0.7% to +11.1%. Bennelong Long Short Equity fund was at the bottom end while Regal Atlantic was once again the best performing fund.

One of the underlying funds which we haven't talked about much this year is Wavestone Australia Absolute Return. It was up +1.9% in November and +11.2% year to date. Since inception in August 2006, Wavestone has gained +184.7% versus the All Ords Accum's +52.8%. They consistently outperform the market by around 6% to 7% per year. Wavestone Capital was formed by the team at Colonial First State, a large financial institution managing billions of dollars in Australian equities. The ex Head of equities, head of small cap equities and the most senior financial analyst were the founders. This is a high quality team, yet their absolute return fund has just A\$68m in FUM. They also manage several hundred million in long only mandates.

As investors, it is tempting to focus on the highest numerical return over different time periods. In publications such as the NZ Herald, a fund's performance is measured by one and three year returns, and this is how many people select funds.

At King Tide when we look at the highest returns on our data base over one and three years, there are four funds in the top ten which we don't currently invest in. In fact, over three years, three of our funds rank outside the top twenty.

We are not about to change a fund simply because they are not top of the returns table over one and three years. We have a quantitative and qualitative process which looks beyond the published results. Different market conditions can suit different styles and strategies. The current market is very active with numerous new companies floating, capital raisings and M&A (merger and acquisition) deals. There is also extreme dislocation between sectors as we discussed in October's newsletter.

This suits Atlantic and a number of our other funds. The beauty of King Tide, is that we have fourteen managers scouring the market and taking active positions on our behalf.

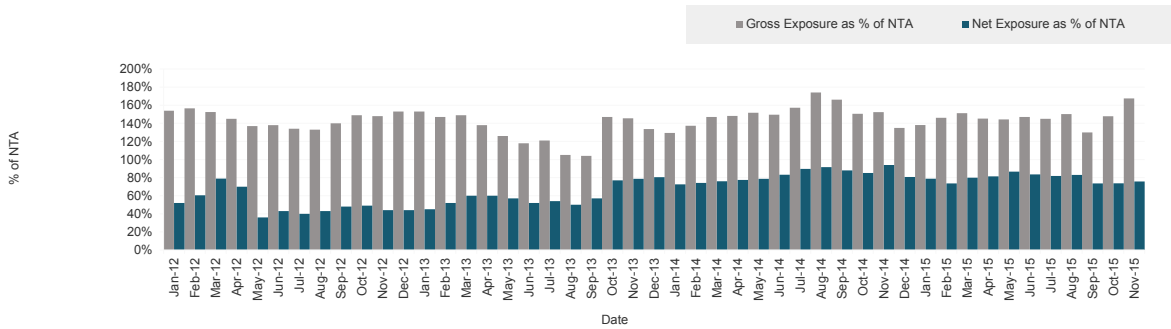


King Tide - Fund Performance vs. Benchmark (Net of Fees)

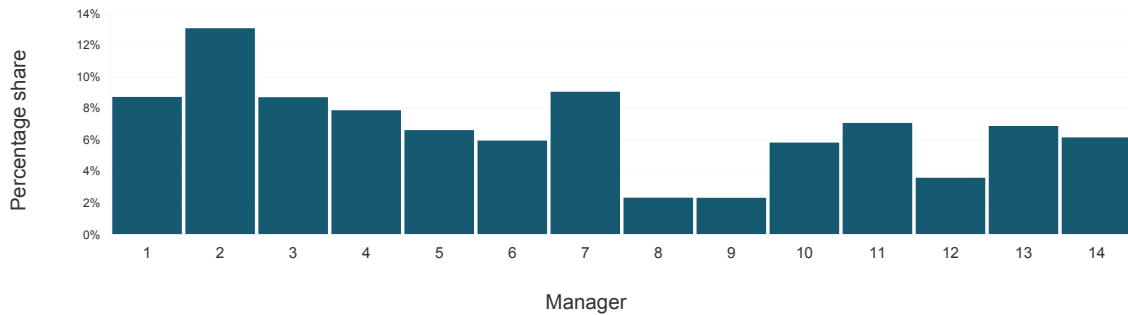
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	2.99%	3.40%	0.60%	0.82%	3.25%	0.00%	3.09%	0.50%	1.32%	2.26%	5.07%		25.79%
Blended Benchmark*	4.91%	3.25%	-1.38%	0.34%	3.94%	-0.07%	1.67%	-6.04%	-4.34%	1.11%	3.34%		6.30%
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.46%	1.81%	1.63%	0.55%	2.54%	-1.46%	3.27%	4.00%	-1.02%	1.15%	-2.99%	-1.10%	7.95%
Blended Benchmark*	-2.40%	3.02%	0.83%	2.16%	1.96%	-2.86%	5.53%	2.72%	-5.04%	4.59%	-6.26%	-1.10%	3.02%
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%
Blended Benchmark*	3.74%	3.06%	0.10%	1.32%	-4.72%	-3.76%	0.51%	4.29%	0.28%	5.69%	-3.28%	-2.19%	4.49%
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%
Blended Benchmark*	2.74%	1.92%	0.38%	1.72%	-5.40%	-0.89%	5.33%	1.55%	-0.09%	3.70%	1.18%	2.19%	14.85%

*90% All Ordinaries Accum/10% NZX50

Gross and Net Exposure (% of Net Asset)



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.

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