

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 King Tide NZ/Australian Long/Short Equity Fund (the Fund). • The Fund seeks to generate at or above equity market returns with lower volatility by investing in the best long/short equity managers in Australasia. We research and select managers who employ risk based strategies to extract gains from the divergent sectors in the Australasian markets, where there is very little hedge fund activity. King Tide's management committee and board have more than 90 years combined experience in capital markets and fund selection • We apply in-depth quantitative research which is overlaid by comprehensive qualitative analysis of each fund we select • We constantly monitor existing and new funds, making changes as we see fit • We 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 King Tide Fund. King Tide has a simple, transparent, and tax effective "PIE" structure, making it appealing to NZ and offshore investors alike.

Fund size	NZ\$19.8m		KT NZD	Benchmark
Inception Date	January 1, 2012	1 Month	-1.04%	1.48%
Unit Price	1.32906	6 Month	2.05%	7.01%
Since Inception p.a.	6.0%	1 Yr	13.11%	2.86%
Benchmark	90% All Ords Accum/10% NZX50	2 Yr p.a.	12.84%	4.72%
Application	Monthly	3 Yr p.a	9.43%	3.06%
Liquidity	Monthly with 35 days notice	Annualised SD	7.52%	11.29%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.45	1.00
Performance fee	10% with high water mark	Largest monthly loss	-3.82%	-6.26%
Administration	Adminis	Sharp Ratio (RFR=RBA cash)	0.54	0.48
Legal Counsel	Minter Ellison Rudd Watts	Avge Return in Market Positive Mths	1.51%	2.59%
Auditor	PWC	Avge Return in Market Negative Mths	-1.37%	-3.01%

Monthly Performance Review

King Tide fell -1.04% in April versus the benchmark's +1.48%. Over the last 12 months King Tide has gained +13.11% versus the benchmark's +2.86% and over three years we have more than tripled the return of the benchmark.

The move from quality to value continued in April, with resource and mining stocks leading the way.

Our Australian based managers generally lagged the indices producing a net loss of -0.3%, with a range of -2.3% to +3.7% while our three NZ based funds gained +0.4% collectively, with a range of -1.8% to +1.1%.

The NZ dollar strengthened +1.7% against the AUD in April, and we gradually reduced our currency cover to below 50% at month end. In April, currency losses cost the Fund about 70bps.

Australian market returns (+3.2%) were driven by another surge in iron ore (+23%), Brent oil (+21%) and metallurgical coal (+14%). In April, iron ore reached a peak of US\$70 per tonne, up from mid-December's low of US\$38.

The Materials Sector rallied +14.2% with BHP, RIO and Fortescue all rallying in excess of 20%. The Energy Sector rose +7.7% led by Santos and Woodside. Healthcare rose +3.3% but consumer discretionary fell -1.4%, dragged lower by Media and Retail names.

This has been an unusual time for King Tide, losing money in a market which has rallied. In the last three months our benchmark has gained +6.77%, while the Fund has lost -3.36%. We have talked about the short squeeze and reversion which has taken place in the Australian market by way of explanation. However, that aside, this period does illustrate an important aspect of our return profile, and that is that we are uncorrelated to market indices. That is, our monthly returns will be quite different from the market's monthly returns.

Obviously, as last year illustrated, everyone is happy when that difference is strongly positive, and over time, we of course expect the difference will be strongly positive as shown by the three year returns. However, we do not make any such claims about shorter periods of time, and every successful investor will understand that markets will often be mis-priced in the short term.

If we believe markets will be mis-priced at certain times, then we must accept that they will underprice businesses we own and overprice businesses we don't own, or are short.

We are in such a period right now. When I look at the universe of long/short managers we research, over the last three months, only two funds have beaten the market and twenty one have lost money.

However when you view their results over the slightly longer one year period, forty four funds have beaten the market and only four have lost money.

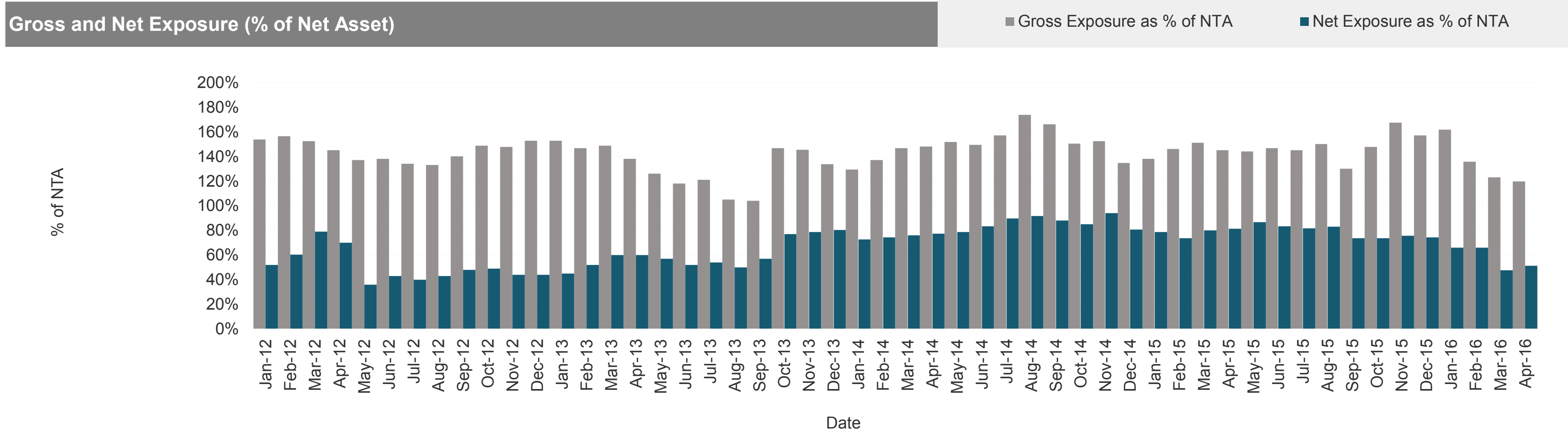
Two of our managers were in the news in April, Monash and Wilson. Monash, a fund we first added in May 2014, launched a Listed Investment Company (MA1), which trades on the ASX, and is a replica fund to the unlisted version that we are invested in. They raised A\$52m and began trading on 11 April. In a market where others have tried to raise capital and failed, it is an endorsement of the Monash team that they raised more than they had initially targeted. Total funds under management are still less than \$100m, and you can be sure that they will be very focused on ensuring this fund gets off to a good start. Monash is one of our smaller positions but has risen +17.3% us since we invested versus the All Ords +5.5%, and they have achieved this outperformance by falling only 0.4 times as much as the market in negative months.

Wilson also went to the market in April/May to launch a new fund focusing on large cap stocks, called the Australian Leaders Fund. Wilson Asset Management (WAM) is one of Australia's leading active managers, and this is their fourth listed investment company. We invest in their only unlisted fund, a small fund with just A\$42m in it as at the end of April. As a firm, Wilson is now closing in on \$1.7bn of funds they manage, particularly with this latest launch raising another \$400m. To date, they have shown they can continue to produce great returns as FUM (Funds under management) grows. Despite the small size of the fund we are in, it is still a part of the 'whole', and subject to the limitations which size brings. One caveat in the case of Wilson is their ability to do deals, and in this regard, their size is an advantage. Wilson is our most "activist" investor. They have gained +10% over the last year versus the All Ords -4%.

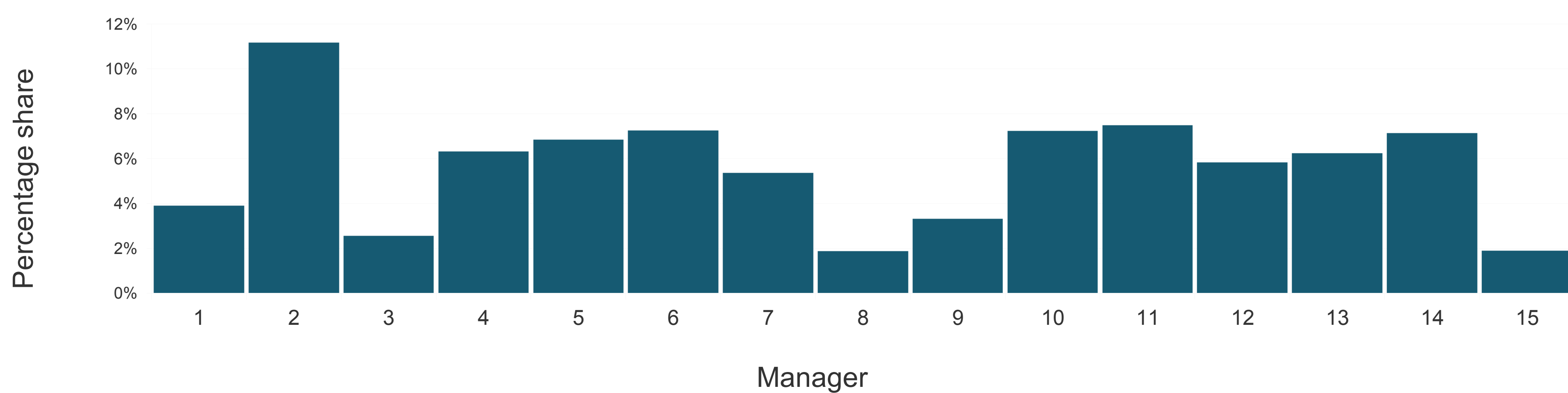
King Tide - Fund Performance vs. Benchmark (Net of Fees)

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-1.73%	-3.82%	1.54%	-1.04%									-5.03%
Blended Benchmark*	-3.05%	-1.96%	7.31%	1.48%									3.52%
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%	2.27%	28.65%
Blended Benchmark*	4.91%	3.25%	-1.38%	0.34%	3.94%	-0.07%	1.67%	-6.04%	-4.34%	1.11%	3.34%	0.19%	6.50%
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



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.