

**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.

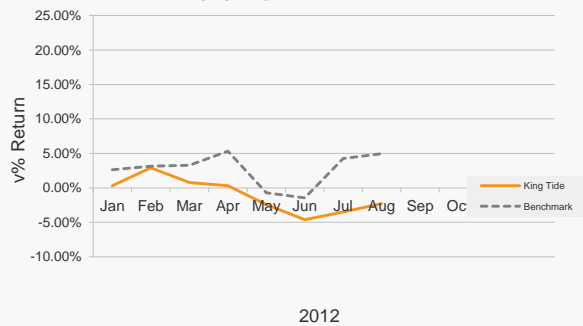
**King Tide - Fund Performance vs. Benchmark (Net of Fees)**

201200.00%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>King Tide NZD</b>	0.29%	2.61%	-2.09%	-0.45%	-2.75%	-2.23%	1.16%	1.29%					-2.28%
<b>King Tide AUD</b>	2.50%	2.98%	-0.76%	-1.03%	-3.90%	-1.28%	-0.47%	2.07%					-0.08%
<b>Blended Benchmark</b>	2.61%	0.51%	0.12%	2.00%	-5.75%	-0.72%	5.80%	0.64%					4.94%

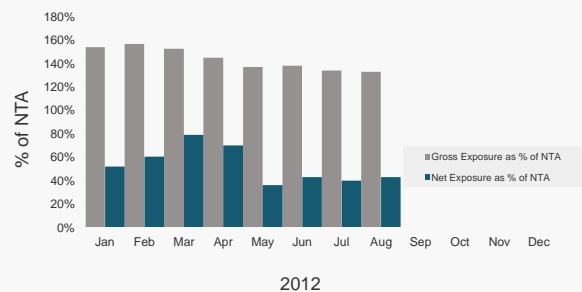
**Monthly Performance Review**

King Tide rose 1.29% in August versus the benchmark's 0.64%. The benchmark is 90% the ASX200 and 10% the NZX50, which respectively rose 1.10% and 3.43%. The NZD was 0.77% firmer against the AUD, which reduced the return of the ASX200 to 0.33% in NZDs • While August produced a positive return, conditions were volatile. The Australian market rallied strongly through to the last week, with mining and resource stocks leading, but then poor data out of China sent the resource sector sharply lower again. BHP and Rio Tinto fell 8% and 11% respectively in the last week of August and the first few days of September. Further, whilst on balance, earnings reports were in line with expectations, forward guidance has led analysts to revise down forecasts. The NZ market on the other hand had a very strong month with 12 stocks in the NZX50 up 10% or more • In August, manager returns ranged from -1.46% to +8.54%. Six of the nine managers outperformed the benchmark, and they did so by an average of 2.6%. The three underperformers did so by an average of -2.2%. At month end, gross exposure was largely unchanged at 133% and net was 3% higher than end of July at 43%. (In July's report we understated net by 4%. It was 40% not 36% and the average of our top six managers was 25% not 20%). I apologise for this and have corrected and attached July's newsletter for your records • In August manager reports, there was a lot of stock specific commentary. Our NZ managers added Fisher and Paykel Appliances and Pumpkin Patch in August. While managers are finding both trading and investment opportunities in this market, most remain defensively positioned. They generally expect the RBA to lower interest rates, supporting high dividend stocks and those with exposure to the US. Companies like CSL, NewsCorp and Telstra were mentioned as potential long ideas. On the short side there seems to be continued interest in mining service companies and businesses which support the resource sector, like employment agencies with big chunks of business in mining related vocations. One manager expected a pull-back in infrastructure spending by the Australian government and believed there would be a flow-on effect for consulting and engineering businesses • While the Fund remains behind the market to date, we remain confident that our model will prove its worth given time. One of the key benefits of your investment in King Tide, is that you do not have to time your entry and exit into and out of the equity market, because of the fund's low net exposure.

**Cumulative Fund Performance vs. Market Benchmark**

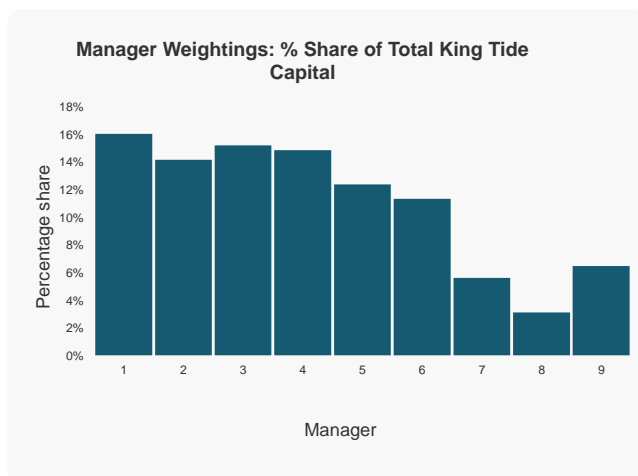


**Gross and Net Exposures (% of Net Assets)**



**Fund Facts**

<b>Fund size</b>	NZ\$9.91 million
<b>Inception Date</b>	January 1, 2012
<b>Min. Investment</b>	NZ\$50,000
<b>Unit Price</b>	\$0.98
<b>Annualised Return</b>	
<b>Return Since Inception</b>	-2.37%
<b>Annualised SD</b>	
<b>Sharpe Ratio (RFR=RBA cash)</b>	
<b>% Positive Months</b>	50%
<b>Administration</b>	BNP Paribas
<b>Legal Counsel</b>	Minter Ellison Rudd Watts
<b>Auditor</b>	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. It is clear in our prospectus that we do not intend hedging currency, but investors may want to make their own hedging arrangements should they want to protect this investment from currency related volatility between the AUD and NZD. In the mid to longer term, we may offer a NZD unit, which would be hedged back into NZDs.

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.