

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.

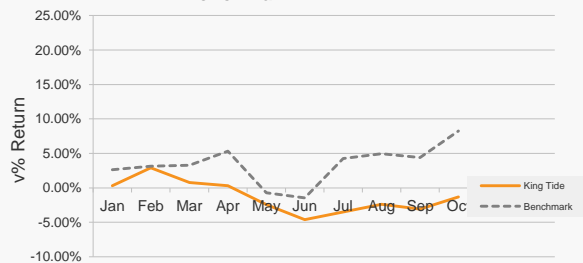
King Tide - Fund Performance vs. Benchmark (Net of Fees)

201200.00%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	0.29%	2.61%	-2.09%	-0.45%	-2.75%	-2.23%	1.16%	1.19%	-0.74%	1.83%			-1.32%
King Tide AUD	2.50%	2.98%	-0.76%	-1.03%	-3.90%	-1.28%	-0.47%	2.07%	2.00%	1.06%			3.00%
Blended Benchmark	2.61%	0.51%	0.12%	2.00%	-5.75%	-0.72%	5.80%	0.64%	-0.52%	3.69%			8.24%

Monthly Performance Review

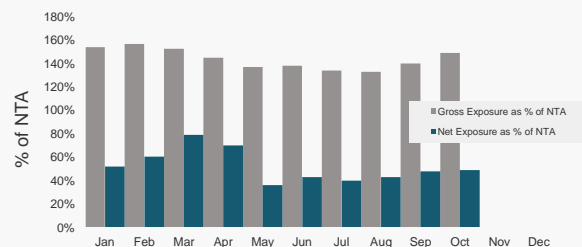
The Fund rose 1.8% in October and is performing more in line with our expectations. It is pleasing to see a number of managers who have lagged in both the market and our own expectations this year, putting together several good months. The range of manager returns in October was -0.8% to 5.5%. Two managers rose more than 5%, and the arithmetic average return of all nine managers was 2.2%. The weighted gross exposure of the Fund is 149%, which is 9% higher month on month, while net exposure up just 1% at 49%. • Managers on the whole remain cautious. Guidance from companies reporting to the market in both NZ and Australia has been downbeat. Valuations in NZ appear to be more demanding than those in Australia. One of our larger allocations, to a NZ based manager, has gained more than 17% this year even though it’s running generally less than half the portfolio in NZ companies. He believes opportunities in NZ are becoming harder to find after the recent strong run. However, he, and others, also concede that markets can remain overvalued for extended periods, and we may well be in one of those periods now. In Australia, there is evidence of increasing corporate activity, which tends to indicate there are still good companies trading at attractive prices there. Two of our funds benefited from the takeover of Graincorp in September for example. Shares in Graincorp were up 37%. • Looking forward we expect our managers to continue to build on the results of the last four months. We are seeing more positive news out of Asia, which augers well for Australia. Given our managers can invest both long and short, opportunities will continue to surface as prices move up and down. Many high yielding stocks for example have risen very strongly with the XDJ index (dividend opportunity index) up 9% since the sell-off in May, versus a rise of just 4% in the XJR (the ASX200 resources index) over the same period. • We would re-iterate that given the recent strength of the NZ market, it is an opportune time to allocate to a fund like King Tide, with its focus on a diversified exposure to Australian and NZ shares, both long and short.

Cumulative Fund Performance vs. Market Benchmark



2012

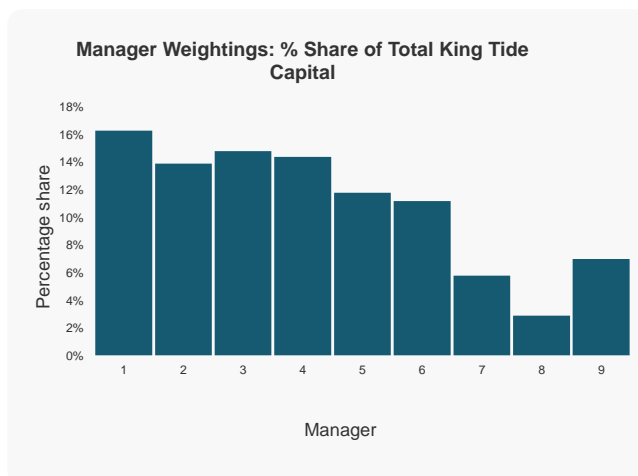
Gross and Net Exposures (% of Net Assets)



2012

Fund Facts

Fund size	NZ\$10.17 million
Inception Date	January 1, 2012
Min. Investment	NZ\$50,000
Unit Price	\$0.99
Annualised Return	
Return Since Inception	-1.32%
Annualised SD	
Sharpe Ratio (RFR=RBA cash)	
% Positive Months	50%
Administration	BNP Paribas
Legal Counsel	Minter Ellison Rudd Watts
Auditor	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.