

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.

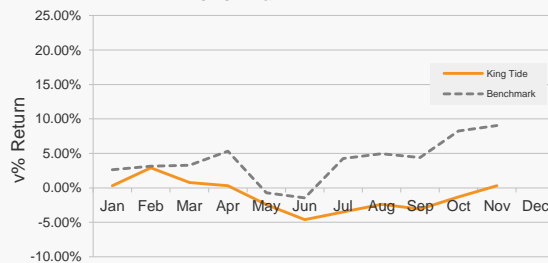
King Tide - Fund Performance vs. Benchmark (Net of Fees)

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%	1.63%	0.15%	0.44%
King Tide AUD	2.50%	2.98%	-0.76%	-1.03%	-3.90%	-1.28%	-0.47%	2.07%	2.00%	1.06%	0.84%	1.17%	5.08%
Blended Benchmark	2.61%	0.51%	0.12%	2.00%	-5.75%	-0.72%	5.80%	0.64%	-0.52%	3.69%	0.72%	1.89%	11.08%

Monthly Performance Review

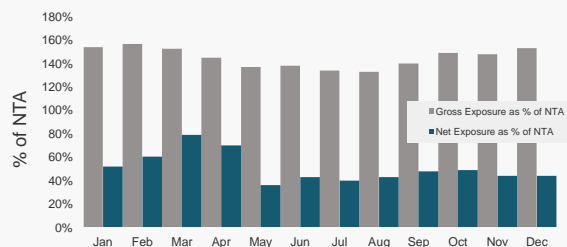
December ended a challenging first year for King Tide. As you can see from the table above, we had a currency head wind, as the NZ dollar appreciated against the Australian dollar by 4.4%. In base currency, two managers finished the year with a loss, one with a very large loss, as we have discussed in previous reports. The month of December saw a strong Australian equity market despite flat global markets and macro concerns on the back of the 'fiscal cliff' deadline at the end of December. The 3.2% rally in Australia was something of a catch up given it had lagged other equity markets in 2012. The NZ market rose just 0.4% in December. Australian based managers ranged between -0.29% and 10.03% in the month while NZ manager returns were -0.47% and +0.75% respectively. The NZ dollar strengthened by 1.09% versus the AUD. Gross exposure of the Fund rose to 153% but net remained at 44% as one of our core managers moved to a net short position. There were no negative surprises in December. The manager which rose 10% has had five consecutive positive months now, gaining more than 30%, recovering losses in the first half of the year. While it was the only underlying fund to beat the market in December, it also happens to be the only manager more than 100% net long. The weighted average of the other eight funds is 38% net long. In a market which is up more than 3%, we will often lag simply because our managers are always hedged. At the end of our first year, we are reviewing managers and weightings and will be making some changes. Manager selection is a dynamic process and as funds evolve, grow, change their strategy or performance characteristics, and as we meet and assess new funds, we will respond when we consider it will keep the Fund on track and in line with our objectives. In this our first year, we have seen one of our managers suffer heavy losses. This is something we hoped would never happen, but it is not something we hadn't thought about. It is in fact the reason we diversify across at least eight managers (9 at present), and in this regard, our strategy worked. One manager had a very bad year, but we came through with your capital in tact. We are well behind our benchmark but remain committed to our objective of making positive returns and outperforming the market over time, with a strong focus on preserving your capital.

Cumulative Fund Performance vs. Market Benchmark



2012

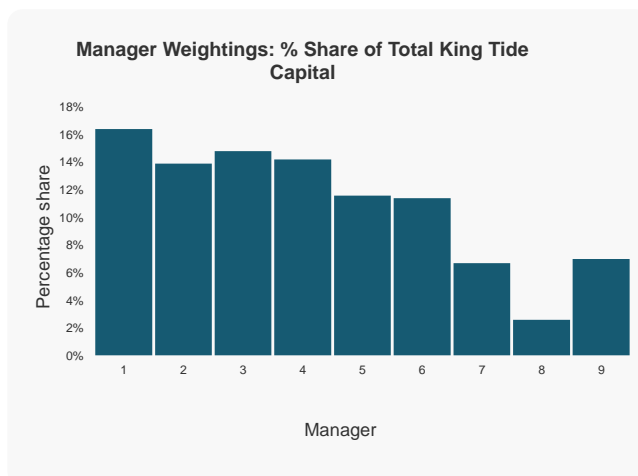
Gross and Net Exposures (% of Net Assets)



2012

Fund Facts

Fund size	NZ\$10.32 million
Inception Date	January 1, 2012
Min. Investment	NZ\$50,000
Unit Price	\$1.01
Annualised Return	
Return Since Inception	0.44%
Annualised SD	
Sharpe Ratio (RFR=RBA cash)	
% Positive Months	58%
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.