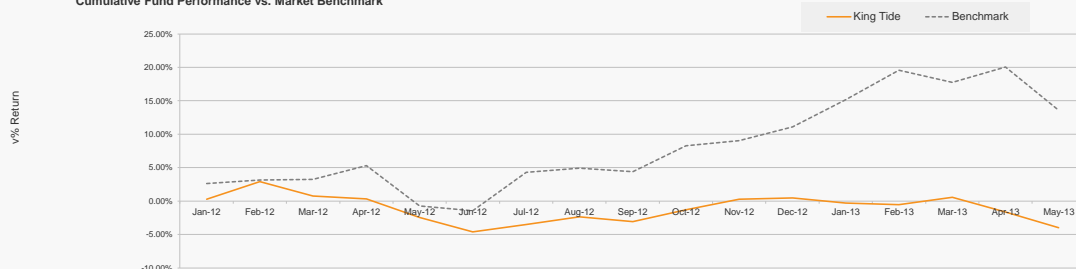


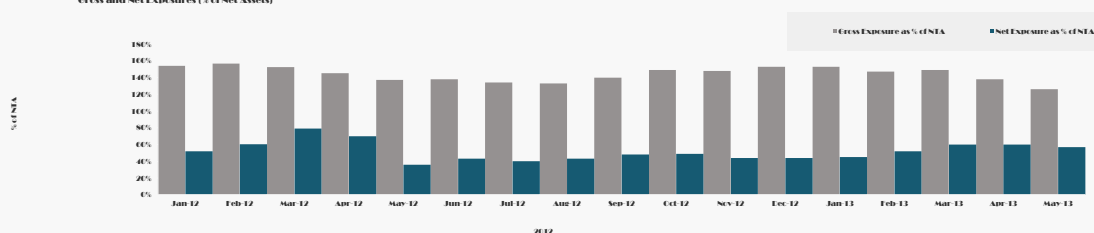
### Fund Overview

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.

Cumulative Fund Performance vs. Market Benchmark



Gross and Net Exposures (% of Net Assets)



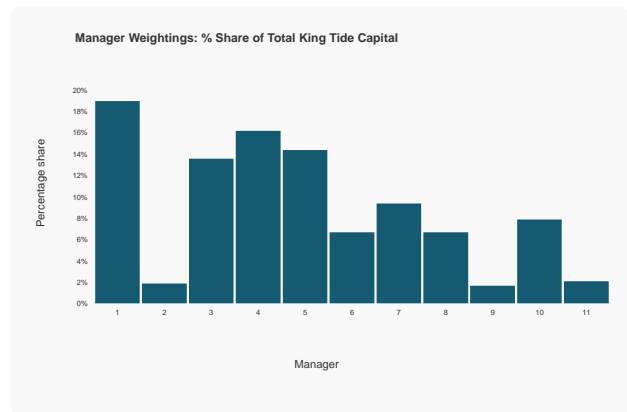
### Monthly Performance Review

The rally in Australasian equity markets continued into the second week of May. The NZX50 reached new highs and the ASX200 index rose to levels not seen since 2008. However from mid May through to month end, the Australian market fell -5.4% and the NZ market -3.4%. Since month end they have continued to fall. As George Colman predicted last month, the market was irrationally priced in many respects and in just one month (mid-May to mid-June), the Australian market has given back all of the gains it had made year to date. Having lagged the market significantly this year, George's fund, Optimal Australia Absolute is now in line with the market, having posted a 1.4% gain in May versus a fall of -5.1% for the ASX200 index. Five of our eleven managers produced positive returns in May, and three others outperformed the market by more than 2.5%. One manager performed in line and two managers had large draw-downs. The overall fall in King Tide of -2.4% was acceptable in light of the -5.4% fall in our market benchmark. Newly appointed managers were mixed, with Regal Australian l/s fund falling -4.3% and Aurora Fortitude gaining 0.6%. The two funds which detracted most from the month's results were Regal Atlantic, which fell -12.4% and Velocity, which fell 14%. Like raising children, one finds it difficult to ignore the badly behaved child and appreciate the excellent behaviour of the rest of the family, and we feel a bit like that with Velocity. This fund has finally unequivocally 'blown up'. It is a term most often used when describing active managers who lose most of their clients' capital, often after a stellar run. Velocity fits the description. Up until we invested in January 2011, Velocity was the highest ranking Australian equity fund in all of the surveys. It had five star ratings from the rating agencies. However, we recognised its inherent 'riskiness' and allocated just 5%

of your capital to Velocity. Over the last fifteen months, Velocity has lost money every month, losing in excess of 70% of our initial investment. While a negative for all of us, it does demonstrate one of the fundamental tenets of King Tide's philosophy, and that is that by spreading your investment across a number of managers, you diversify away 'manager risk' and reduce the chance of a permanent loss of capital. Velocity has blown up, but King Tide has absorbed this and in AUDs, is still up 5% since inception. The results from this past month, while still a loss, do demonstrate another of King Tide's strengths, that we will protect you from the large falls which inevitably come in equity markets. The most pleasing aspect of May was the strong performance of our three largest positions. Aspiring, one of our NZ based managers, Kardinia and Optimal comprise half of the fund, and all had excellent months. Kardinia and Aspiring were the most impressive given they have both performed strongly in the rising market, yet were able to eke out gains when the market fell in May. When markets were rising and volatility was low, Kardinia bought a 'put' option on the Australian market to help protect their returns from a market correction (when volatility is low, options are cheap). Optimal has struggled to make money over the last seventeen months, but rose 1.2% in May, beating the Australian market by more than 6%. With June looking like another big fall for equity markets, Optimal's defensive position (it is -2.6% short) is of some comfort to us. Currency has continued weigh on NZD returns as the Australian dollar weakens faster than the NZ dollar. From the inception of King Tide to the end of May, the NZ dollar had risen 9.3% against our larger neighbour. We hope this will become a tail wind at some point in the next few years, and history does suggest it will.

**Fund Facts**

Fund size	NZ\$9.7 million
Inception Date	January 1, 2012
Min. Investment	NZ\$50,000
Unit Price	0.96
Annualised Return	-2.84%
Return Since Inception	-3.98%
Annualised SD	5.62%
Sharpe Ratio (RFR=RBA cash)	
Largest Drawdown	-7.33%
% Positive Months	47.06%
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.

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

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%
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%
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.74%	-0.23%	1.09%	-2.16%	-2.41%								-4.41%
King Tide AUD	0.64%	0.29%	0.32%	0.59%	-1.78%								0.04%
Blended Benchmark	3.68%	3.83%	-1.53%	1.93%	-5.36%								2.27%

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.