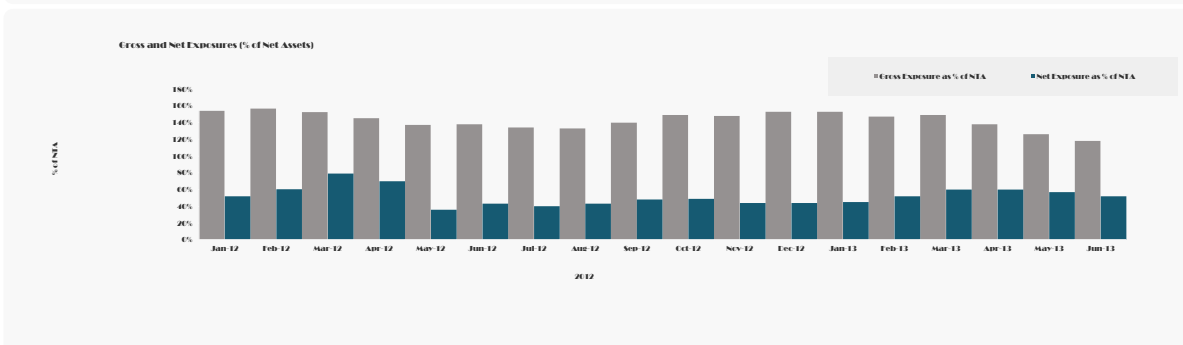
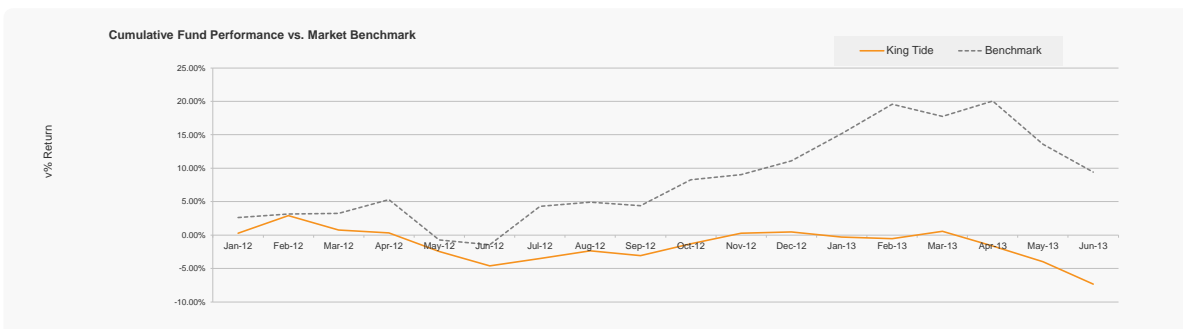


Fund Overview

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.



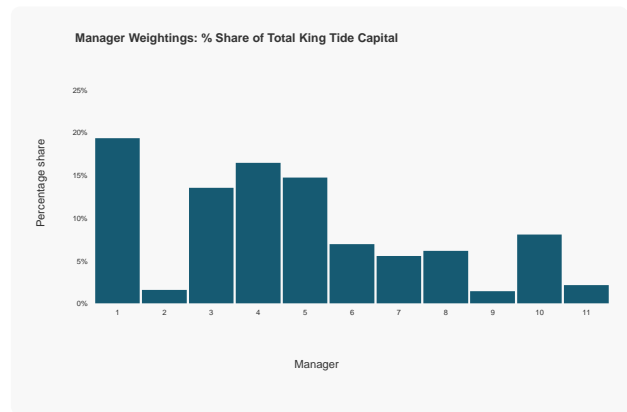
Monthly Performance Review

In many respects June was a repeat of May in terms of a falling market, manager performance and currency losses. The Australian share market as measured by the ASX200 index, fell -2.5% and the NZ share market (NZX50) fell -1.6%. There was a -1.4% currency move due to weakness in the Australian dollar, so King Tide's benchmark, which is based on a 90% weighting to Australia, and a 10% weighting to NZ, was down -3.7%. King Tide's -3.5% loss was therefore in line with the market. It is important to remember that King Tide is primarily an Australian equity investment. While we have two managers and three funds domiciled in NZ, two of those funds, (PIE Australasian Growth and PIE Emerging Companies Fund) are almost entirely invested in Australian listed companies, and The Aspiring Fund, is generally between 40% and 60% invested in Australian companies. The resultant weighting in NZ shares is around 10%. The issue of currency and King Tide's hedging policy has come under scrutiny again given the on-going negative impact it is having on the Fund's performance. The Board has reviewed our current position and recommended that we inform investors of our intention to actively hedge currency in the future • June was a disappointing month for King Tide given we expect to outperform negative markets, and in this regard, King Tide has lived up to expectations. Since January 2012 the market has had five negative months, with an average fall of -2.8% and in those five months King Tide has fallen -1.4% on average. Our problem has been negative returns in months when the market has been positive. In June we were let down by one manager whom we had already reduced by one third. The very poor result (-12.2%) accounted for -70 bps of the June result, and along with currency, accounted for -1.7% of the draw-down.

One other manager, Regal Atlantic, fell -9.9%, but is still up 10% year on year. Over eighteen months this fund has struggled and is negative, but over its entire life (March 2004), it has averaged more than 35% p.a. and remains one of the best performing funds in Australasia. It is consistently leveraged and volatile but remains true to its mandate and we accept periods of underperformance. Eight of the eleven managers beat the market in June, with two, PIE Emerging Companies and Vinva, posting positive returns. Of the nine managers we started with in January 2012, eight remain although one of those, Evergreen is currently being fully redeemed. We have added three new funds, Regal Australian Long Short Equity Fund, Aurora Fortitude Absolute Return Fund, and PIE Emerging Companies Fund. Each of these managers is quite different, with very different risk profiles. Aurora launched in March 2005, and has averaged a return of 8.2% p.a. versus the market's 1.7% p.a. It's largest monthly loss has been -1.6% and it has had one fifth the volatility of the market. Regal's fund was launched in August 2009 when the world's equity markets were rising strongly. Regal's volatility has been similar to the market and its largest monthly loss has been -8.2%. It is more variable in its returns and there is less certainty month on month as to how this fund will be performing. However this uncertainty has been rewarded with annualised returns since inception of 18.5% p.a. versus the market's 3.2% p.a. PIE Emerging Companies is a new fund launched by PIE, an Auckland based manager. This joins PIE Australasian Growth Fund in our portfolio. PIE has had an outstanding eighteen months and ranks in the top two funds in Australasia over this period. We are convinced that our original strategy will reap rewards and are very grateful for our patient investors.

Fund Facts

Fund size	NZ\$9.3 million
Inception Date	January 1, 2012
Min. Investment	NZ\$50,000
Unit Price	0.93
Annualised Return	-4.80%
Return Since Inception	-7.35%
Annualised SD	6.05%
Sharpe Ratio (RFR=RBA cash)	
Largest Drawdown	-7.86%
% Positive Months	44.44%
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%	-3.50%							-7.76%
King Tide AUD	0.64%	0.29%	0.32%	0.59%	-1.78%	-2.03%							-1.99%
Blended Benchmark	3.68%	3.83%	-1.53%	1.93%	-5.36%	-3.67%							-1.49%

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.