

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 the KTAM NZ/Australian Long/Short Equity Fund (the Fund). • The Fund aims to provide local and international investors with diversified, active exposure to Australian and New Zealand equity markets through allocating capital to a select group of funds domiciled in these markets • We research and select from more than fifty risk-based equity funds operating in Australasia, and allocate capital to between eight and fifteen of them • We constantly monitor existing and new funds, making changes as we see fit • The Fund's investment objective is to achieve positive absolute returns over any rolling three to five year period irrespective of market trends • We believe that minimising losses is central to growing your wealth over time • We also believe in 'skin in the game' and all of our managers are large investors in their own funds • In keeping with this principle, King Tide Directors are the largest investors in the Fund • King Tide has a simple and transparent structure, with strong administration and compliance

Fund Facts Fund Performance

Fund size	NZ\$11.4m		KT NZD	KT AUD	Benchmark
Inception Date	January 1, 2012	1 Month	0.60%	2.05%	-1.92%
Min. Investment	NZ\$10,000	3 Month	7.12%	10.29%	5.66%
Unit Price	1.14	6 Month	3.96%	14.41%	2.14%
Annualised Return	3.81%	1 Yr	12.27%	17.83%	5.06%
Benchmark	90% XJO/10% NZX50	2 Yr p.a.	6.02%	17.21%	0.31%
Buy/sell spread	0.25% on application and redemption	Inception p.a.	3.81%	12.08%	5.41%
Liquidity	Monthly with 35 days notice	Annualised SD	7.23%	6.62%	11.58%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.44	0.39	1.00
Performance fee	10% with high water mark	Largest monthly loss	-3.30%	-3.90%	-6.84%
Administration	Adminis	Sharp Ratio (RFR=RBA cash)	0.18	1.45	0.19
Legal Counsel	Minter Ellison Rudd Watts	Avg Return in Market Positive Mths	1.34%	1.55%	2.65%
Auditor	PWC	Avg Return in Market Negative Mths	-1.18%	-0.11%	-2.90%

Monthly Performance Review

The NZX50 fell -0.8% in March which resulted in a +4.8% gain for the March quarter, and a +23.2% gain for the financial year.

The ASX200 fell -0.6% in March, but still ended the quarter up +8.9%. Over the financial year it was up 10.1%, less than half as much as the NZ market.

When translated into NZDs, the ASX200 was down -2.1% in March, up +5.8% in the quarter and up just +4.1% over the year. For a NZ investor therefore, the NZ share market outperformed the Australian market by 19.1% over the last 12 months!

King Tide's benchmark, which is 90% the ASX200 and 10% the NZX50, and is measured in NZDs, fell -1.92% in March, was up +5.7% in the March quarter and +5.1% over one year.

King Tide rose +0.6% after fees, outperforming the benchmark by 2.5%. Over the past year, King Tide has gained +12.3% versus the benchmark's +5.1%.

The table above shows that King Tide has outperformed its benchmark now over all periods from one month to two years.

King Tide now researches 59 funds managed by 56 managers in Australia and NZ. There are now 9 NZ based funds on our data base, with a significant number of new launches in NZ in the past year. We have met with all of the new NZ funds and continue to monitor their progress on a monthly basis.

In the last year, the portfolio has remained relatively stable. We have added three new funds, bringing the total number to 14, with 12 underlying managers. (We invest in two of PIE's and two of Regal's funds).

Compared to the 59 funds we research, over the last year, King Tide ranked 14th, ahead of well known funds like Pengana, BT, Milford Transtasman, K2, Wilson and Bennelong.

March was particularly pleasing. Despite the low number (+0.6%), when you consider the currency head wind and the fall in both the NZ and Australian markets, the results from our managers were very solid.

Of the 14 funds we are in, only two lost money, and only one of those lost more than the market, Smallco (-1.4%). As the

name suggest Smallco invests mostly in small companies, that is, those with a market capitalisation between \$100m and \$500m, and the ASX Small Ords was down -2.8%.

The best results in March came from Australian based funds Regal Atlantic and Auscap, which rose +4.3% and +4.0% respectively. Over the last two years, these funds have been the two best performing funds in Australasia, with net gains of +136.6% and +104.0%. NZ's PIE Emerging Companies, Australian based LHC Capital and NZ's PIE Australian Growth were third, fourth and fifth, with gains (in their home currency) of 101.1%, 68.8% and 43.4% respectively.

Other managers to soundly outperform in March were Watermark Absolute Return (+3.2%), Kardinia (+1.3%) and Monash (+1.1%).

One manager which surprised us in March was LHC. They went into the month with a very large position in Sirtex Medical. Sirtex has risen 8X over the last five years as their liver cancer treatment gained traction. On March 15-16, the share price traded to \$39.95, a new high. The next day, they released details of a study which fell short of investors' expectations and the price fell 63%. I had spoken with Stephen Aboud, manager of LHC, in February and he had indicated his intention to reduce the fund's position by about 20% leading into the announcement, which would still leave it in the fund as a 12% position.

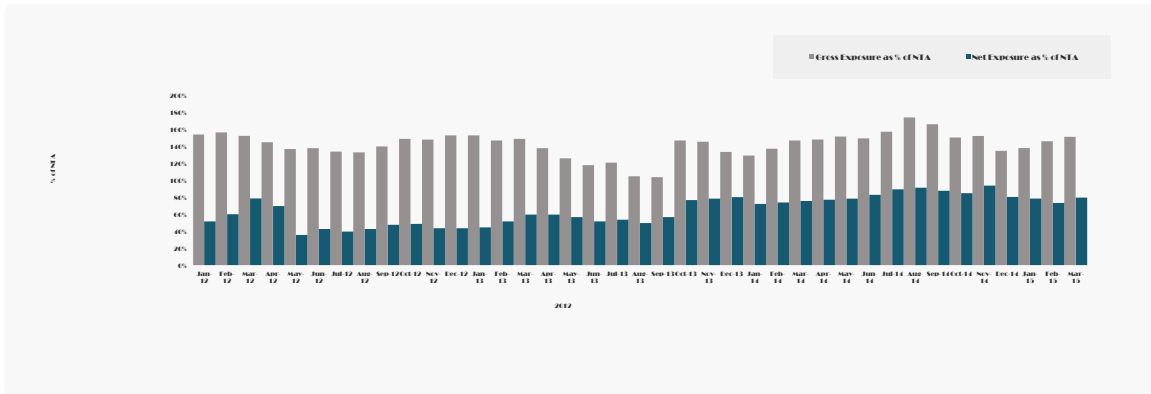
By our simple calculations, we were expecting a 5% plus draw down in LHC's March result. The fund reported -0.6%! Stephen had sold 25% of the position pre-announcement, and bought back at \$15, just above the low of \$14.80. He considered it to be 'outstanding value' at that price. It closed the month at \$20.80. In LHC's March report he wrote,

"the key to our ability to produce outsized investment returns came from our ability to hold investments for three to five years and to "look through the valley", giving the example of our investment in Mayne Pharma (MYX). We believe a similar opportunity for patient investors now exists in Sirtex".

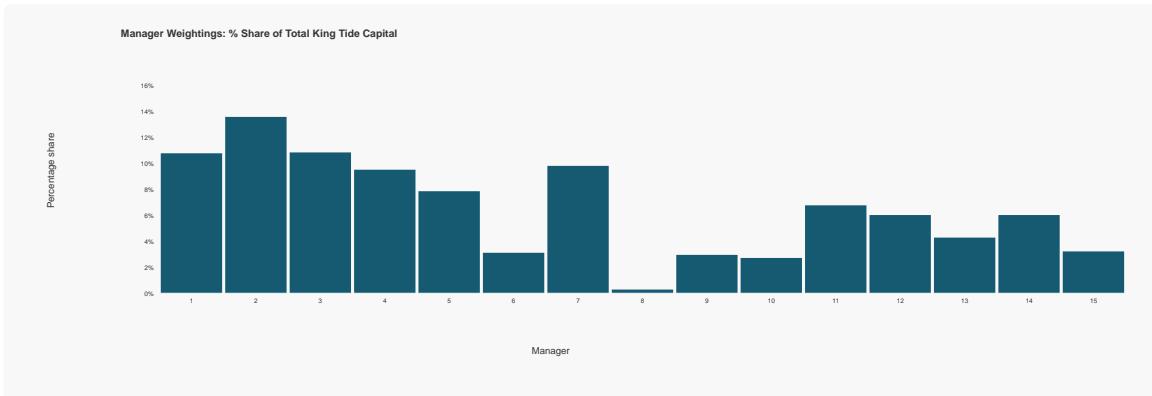
We were impressed with LHC's ability to manage the risk of this very large position. It boils down to knowing and understanding the businesses you own, and when you run a concentrated portfolio like LHC, this is critically important.

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	2.71%	2.98%	-0.76%	-1.09%	-3.90%	-1.29%	-0.47%	1.97%	2.00%	1.06%	0.84%	1.17%	5.12%
Blended Benchmark	1.01%	0.51%	0.12%	2.00%	-5.75%	-0.71%	5.80%	0.64%	-0.52%	3.69%	0.72%	1.96%	9.43%
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.73%	-0.23%	1.09%	-2.16%	-2.41%	-3.30%	-1.03%	4.04%	1.00%	4.44%	-1.56%	-1.53%	-2.67%
King Tide AUD	0.65%	0.29%	0.33%	0.59%	-1.78%	-1.90%	4.03%	1.88%	3.59%	2.47%	0.48%	1.72%	12.85%
Blended Benchmark	3.61%	3.83%	-1.53%	1.93%	-5.36%	-3.67%	0.28%	3.42%	-0.38%	5.73%	-3.77%	-2.47%	0.94%
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-0.46%	1.81%	1.63%	0.55%	2.54%	-1.46%	3.27%	4.00%	-1.02%	1.15%	-2.99%	-1.10%	7.95%
King Tide AUD	-0.22%	3.53%	1.29%	-0.34%	0.86%	0.26%	1.71%	1.79%	-1.29%	0.32%	1.01%	2.36%	11.79%
Blended Benchmark	-2.64%	2.41%	0.43%	2.57%	1.45%	-3.17%	5.45%	1.94%	-5.04%	5.00%	-6.84%	-1.18%	-0.44%
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	2.99%	3.40%	0.60%										7.12%
King Tide AUD	0.96%	7.05%	2.05%										10.29%
Blended Benchmark	5.13%	2.46%	-1.92%										5.66%



Manager Weightings: % Share of Total King Tide Capital



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. In July 2013, the manager changed the investment mandate to allow currency hedging to be used to manage this currency risk. The Manager will actively manage the Fund's Australian dollar exposure with a view to reducing risk and enhancing returns to our investors.

