

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 personnel are the largest investors in the Fund • King Tide has a simple and transparent structure, with strong administration and compliance

Fund size	NZ\$16.1m		KT NZD	Benchmark
Inception Date	January 1, 2012	1 Month	2.27%	0.19%
Unit Price	1.399514	6 Month	15.36%	-4.34%
Since Inception p.a.	7.9%	1 Yr	28.65%	6.50%
Benchmark	90% All Ords Accum/10% NZX50	2 Yr p.a.	17.84%	4.74%
Application	Monthly	3 Yr p.a.	10.56%	4.66%
Liquidity	Monthly with 35 days notice	Annualised SD	7.36%	11.03%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.46	1.00
Performance fee	10% with high water mark	Largest monthly loss	-3.30%	-6.26%
Administration	Adminis	Sharp Ratio (RFR=RBA cash)	0.74	0.42
Legal Counsel	Minter Ellison Rudd Watts	Avg Return in Market Positive Mths	1.59%	2.48%
Auditor	PWC	Avg Return in Market Negative Mths	-1.20%	-3.08%

Monthly Performance Review

King Tide rounded out 2015 with another positive month, gaining +2.3% versus the benchmark's +0.2%. This capped off an outstanding year in which King Tide outperformed its benchmark in 10 out of 12 months.

Results in December were solid across all underlying funds, with returns ranging between +0.7% and +7.0% net of all fees.

The Fund's eleven Australian based managers averaged +4.1% and our three NZ based managers averaged +4.8%.

The NZ dollar strengthened in December, gaining +2.9% against the AUD. We hedged away about half of this through forward currency contracts.

The All Ords Accumulation equity index was volatile in December but ended the month with a gain of +2.7%, having been down more than -5% at one point. The 'Christmas rally' helped lift Australian equities to a gain of +3.8% in 2015, including dividends.

The aforementioned fall in the AUD undid all of the equity market's gains to produce a -0.2% loss when measured in NZDs. However, over the year, the AUD firmed against the Kiwi, so the AUD return of +3.8% became +5.7% in NZDs.

The NZ share market, as measured by the NZX50 Gross index, rose +3.7% in December leading to a total gain of +13.6% for the year.

Based on a 90% weighting in the All Ords Accumulation Index and a 10% weighting in the NZX50, King Tide's blended benchmark gained +0.2% in December and +6.5% in 2015.

The margin of King Tide's outperformance of its benchmark over one year was +22.2%, which is well above our expectations and clearly not a margin over such a short period that we would expect to occur very often. Over three years, King Tide has outperformed its benchmark by around 6% p.a., and this is closer to our longer term expectations.

The basis for this is found in the results from our own proprietary research into the returns from NZ and Australian risk based equity funds. Over seven years to December 31, 2015, the

blended benchmark we use has compounded at 9.0% p.a. in NZDs. Thirty two of the sixty four funds we research, have been operating for seven years or more. Their average return over the last seven years was +220% versus the benchmark's +82%. Twenty four funds, that is 75%, outperformed, after all fees.

Annualised, this is an average gain of those thirty two funds of +14.6% p.a. versus the benchmark's +9.0% p.a., a margin of +5.6% p.a..

While this is a random period of time, I chose it because it began post the GFC, which is a time when the Australian and NZ equity markets have been relatively strong. This generally favours the market over risk-based, long/short strategies.

So even in a period of time which would generally favour the market, Australasian long short managers have outperformed by a margin of 2.7x. Just as an aside, and to illustrate the power of compounding, note that when you annualise 14.6% p.a. versus 9.0% p.a. over seven years, the return is not 1.6x better, but 2.7x.

Given the very strong results our underlying managers have generated over the last two years, it is a good time to be discussing what you as an investor might expect from King Tide going forward.

The key thing to remember, is King Tide is an equity fund, with an equity benchmark. We believe that a fundamental pre-requisite to significant outperformance is to manage downside risk, limiting losses and thus compounding at a higher rate over time. The emphasis is on limiting losses, not eliminating losses. Losses will occur, and despite a very good period with 12 months of consecutive positive returns, King Tide has been down in 37.5% of months since inception.

When you look at our returns in months when the market falls more than 5%, which has happened four times so far, King Tide has twice been down around half as much as the market, once down just -1% and on the other occasion, we were marginally positive.

This should then provide some guidance as to what we may expect in January, which so far, is the worst start to a year by the Australian equity market on record.

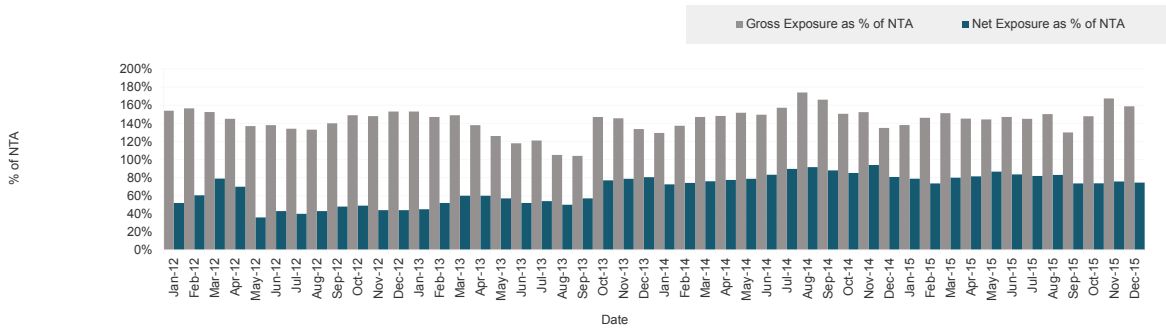


King Tide - Fund Performance vs. Benchmark (Net of Fees)

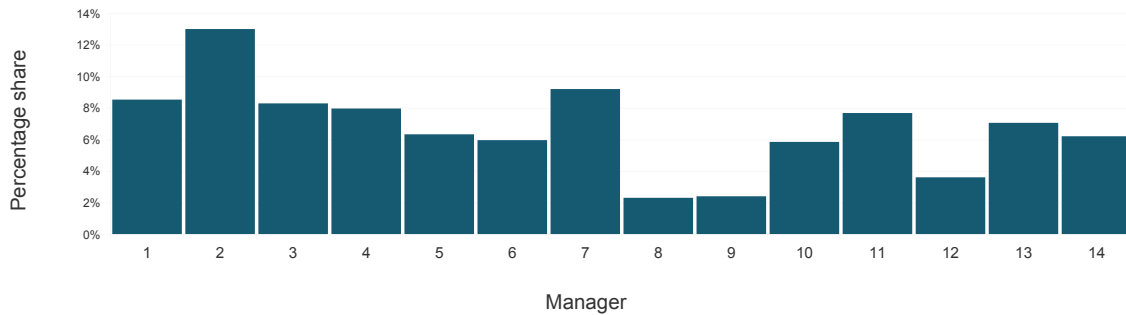
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	2.99%	3.40%	0.60%	0.82%	3.25%	0.00%	3.09%	0.50%	1.32%	2.26%	5.07%	2.27%	28.65%
Blended Benchmark*	4.91%	3.25%	-1.38%	0.34%	3.94%	-0.07%	1.67%	-6.04%	-4.34%	1.11%	3.34%	0.19%	6.50%
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	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%
Blended Benchmark*	-2.40%	3.02%	0.83%	2.16%	1.96%	-2.86%	5.53%	2.72%	-5.04%	4.59%	-6.26%	-1.10%	3.02%
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%
Blended Benchmark*	3.74%	3.06%	0.10%	1.32%	-4.72%	-3.76%	0.51%	4.29%	0.28%	5.69%	-3.28%	-2.19%	4.49%
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%
Blended Benchmark*	2.74%	1.92%	0.38%	1.72%	-5.40%	-0.89%	5.33%	1.55%	-0.09%	3.70%	1.18%	2.19%	14.85%

*90% All Ordinaries Accum/10% NZX50

Gross and Net Exposure (% of Net Asset)



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.

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