

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 King Tide NZ/Australian Long/Short Equity Fund (the Fund). • The Fund seeks to generate at or above equity market returns with lower volatility by investing in the best long/short equity managers in Australasia. We research and select managers who employ risk based strategies to extract gains from the divergent sectors in the Australasian markets, where there is very little hedge fund activity. King Tide's management committee and board have more than 90 years combined experience in capital markets and fund selection • We apply in-depth quantitative research which is overlaid by comprehensive qualitative analysis of each fund we select • We constantly monitor existing and new funds, making changes as we see fit • We 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 King Tide Fund. King Tide has a simple, transparent, and tax effective "PIE" structure, making it appealing to NZ and offshore investors alike.

Fund size	NZ\$20.7m		KT NZD	Benchmark
Inception Date	January 1, 2012	1 Month	-4.16%	0.28%
Unit Price	1.300259	6 Month	-4.91%	0.30%
Since Inception p.a.	4.8%	1 Yr	-5.06%	5.44%
Benchmark	90% All Ords Accum/10% NZX50	2 Yr p.a.	8.67%	5.28%
Application	Monthly	3 Yr p.a	8.27%	4.14%
Liquidity	Monthly with 35 days notice	Annualised SD	7.95%	11.40%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.48	1.00
Performance fee	10% with high water mark	Largest monthly loss	-4.16%	-6.26%
Administration	Adminis	Sharp Ratio 3 yr (RFR=RBNZ cash)	0.63	0.09
Legal Counsel	Minter Ellison Rudd Watts	Avg Return in Market Positive Mths	1.48%	2.60%
Auditor	PWC	Avg Return in Market Negative Mths	-1.50%	-2.99%

Monthly Performance Review

King Tide's portfolio fell -4.16% in November, our largest one month draw down since the inception of the fund. It is notable that this result came in a month when our benchmark actually made money, +0.28%, comprised of a 2.46% rise in the All Ords, offset by a -0.92% fall in the NZX50 and a -1.99% fall in the Australian dollar.

This brings King Tide's year to date returns to -7%, in a market (as measured by our benchmark) which is up 5%. While currency losses were a contributing factor, as the AUD has weakened -2.3%, this is not the main reason for this very poor result.

The main factor affecting the Fund this year has been the very poor results from one manager, combined with average results from most other managers. Usually, given we are diversified across fifteen or so underlying funds, one poor result can be absorbed and offset by others. This year, the very large draw down by Regal, and their two underlying funds, Atlantic and Tasman, have been accompanied by poor to average results across all other underlying funds.

Regal Atlantic is down 43% as of the end of November. While this seems a very big number, to put this in context, the same fund was up 130% in 2015, and has averaged 36% p.a. over the last 12 years. This is the third 40%+ drawdown they have had in that 12 year period. We went into this year with a 9% weighting in Atlantic, having trimmed our position on September 30 last year. So we accept the ups and downs of this fund.

What has hurt us is the other Regal fund, Tasman Market Neutral, which we added in March/April, May and July this year. Since March, this fund is down 15% in AUDs. All of this 15% has come since July, when we became fully invested. Tasman has never experienced a drawdown of this size since its inception in May 2007. It was a 7% weighting as at the end of July. Ironically, we added this fund because they have historically made money when markets fall, and we wanted more exposure to funds with this characteristic.

At the start of November, Tasman was a 6.6% weighting and Atlantic a 4.5% weighting. We had deliberately diluted Atlantic by not adding when we experienced fund inflows earlier this year. Our intention going forward is to add to Atlantic to bring it back to our model portfolio weighting of between 5 and 6%.

Results such as these, in isolation, can be absorbed by a fund of funds. Most portfolios have winners and losers in any given period. The problem we have experienced this year, has been wide-spread underperformance by our managers.

Year to date, measured in NZDs, our blended benchmark is up 5.2%. Our best performing funds were PIE ECF, which rose 13.8%, followed by 8EC which gained 8.5% (10.9% in its base currency AUDs - this is a listed investment company), then Wilson Fund (unlisted) which gained 7.3% (9.7% in its base currency AUDs), PIE Australian Growth gained 7.6%. Aspiring (which we have redeemed-half in March and half in September) was up 5.5%, (as at 30 September it was up 7.4%). After that we get to Smallco and Watermark which made less than 1% (3% in AUDs), through to Monash, down 9% (7% in AUDs). As you can see, there was nothing to offset the large drawdowns in both Atlantic and Tasman.

We have continued to closely monitor all of the funds we invest in. We have redeemed three funds this year, but none of these decisions were as a result of short term returns. We redeemed two outstanding funds because we felt, rightly or wrongly, that the senior primary investors were phasing themselves out of being the key drivers of the funds. The other redemption came after a protracted period of poor returns which coincided with a rapid increase in funds under management. Once again, this was a manager we rate highly, but the quantitative and qualitative process we apply led to the decision to redeem.

On the flip-side, we added Paragon, a fund we had followed for a long time, and which hit its straps early on this year, drawing us in to making an investment. Because of their high recent returns, we averaged in over a period of four months, and limited this position to a 5% weighting. In October/November Paragon experienced by far its largest drawdown. We have reviewed this decision and have added some rules around investing after unusually strong performance. We have recorded this decision as a mis-step.

We beefed up our research capability this year by hiring a senior analyst, Sam Brindle. Through our combined efforts we have uncovered two funds which fit our investment criteria. L1, a Melbourne based fund and Level 18, a fund launched by three industry veterans managing their own capital. We added L1 on November 1st.

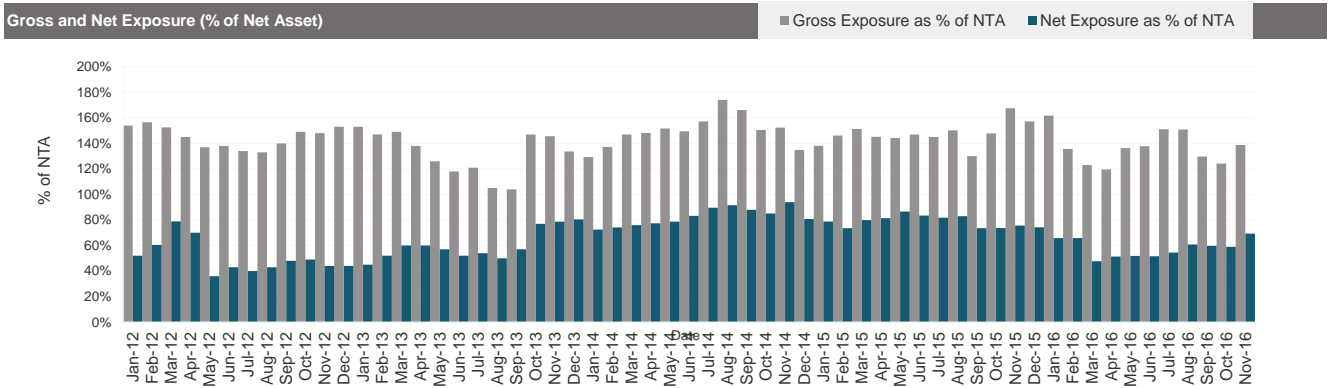
As you will be aware, we are transitioning the fund to a wholesale structure. We hope to have this process completed in time to re-open the fund January 31, 2017. We appreciate the work of our legal advisors Minter Ellison in guiding us through this process, and also the cooperation of the FMA. I also appreciate the work of our directors and investment committee for their hard work through what has been a challenging year for the fund.

We look forward to the new year, and a return to form of our underlying managers. Thank you for your patience and support. We are all co-investors with you and remain committed to our fundamental beliefs and investment process.

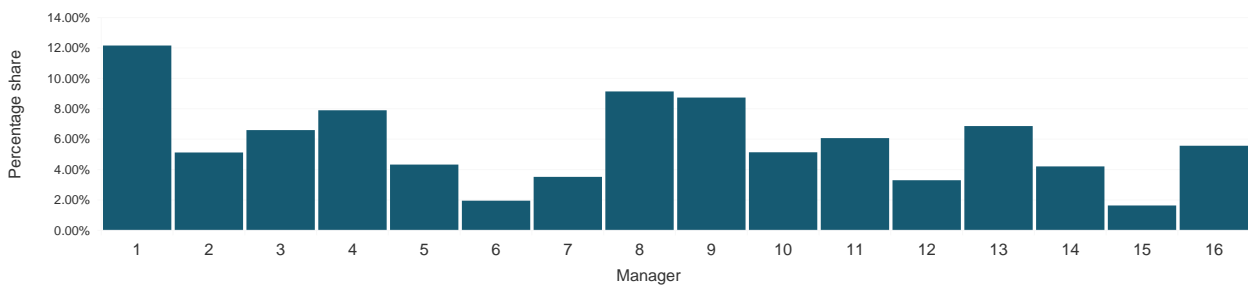
King Tide - Fund Performance vs. Benchmark (Net of Fees)

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
King Tide NZD	-1.73%	-3.82%	1.54%	-1.04%	2.80%	-2.32%	4.29%	-2.10%	1.83%	-2.31%	-4.16%		-7.17%
Blended Benchmark*	-3.05%	-1.96%	7.31%	1.48%	1.36%	-4.36%	7.25%	-2.64%	1.79%	-1.60%	0.28%		5.24%
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



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.