

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\$12.2m		KT NZD	KT AUD	Benchmark
Inception Date	January 1, 2012	1 Month	3.25%	-0.41%	3.94%
Min. Investment	NZ\$10,000	3 Month	4.72%	0.50%	2.85%
Unit Price	1.20	6 Month	10.28%	11.18%	10.17%
Annualised Return	4.82%	1 Yr	13.36%	15.44%	8.68%
Benchmark	90% All Ords Accum/10% NZX50	2 Yr p.a.	10.70%	17.02%	7.74%
Buy/sell spread	0.25% on application and redemption	Inception p.a.	4.82%	10.99%	9.13%
Liquidity	Monthly with 35 days notice	Annualised SD	7.23%	6.62%	10.98%
Administration fees	0.75% total, incl Trustee, Custodian, Audit	Beta	0.50	0.46	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)	0.32	1.28	0.60
Legal Counsel	Minter Ellison Rudd Watts	Avge Return in Market Positive Mths	1.38%	1.48%	2.74%
Auditor	PWC	Avge Return in Market Negative Mths	-1.33%	-0.76%	-2.76%

Monthly Performance Review

In May, the NZX50 rose 0.9% and the All Ords Accumulation rose 0.6%. The NZ dollar weakened against the AUD by -3.5%, resulting in a gain in the benchmark comprising 90% the All Ords Accumulation and the 10% the NZX50 of +3.9%.

King Tide rose 3.3% net of fees despite being partially hedged.

Manager returns were solid in May. Our three NZ based managers rose between +1.5% and +4.0%. Australian based funds rose on average +1.6%, with a range between -0.6% and +4.9%.

May was another volatile month for Australian equities. The Reserve Bank cut interest rates from 2.25% to an all time low of 2.0%. This led to a mid-month rally particularly in retail stocks and industrials. However, poor results from the banks as well as capital raisings to address growing regulatory pressure to bolster capital ratios meant bank shares came under pressure. Towards month end, some of our managers were net buyers of the Australian banks, having been short going into the month.

The NZD weakened in May on the back of weakness in dairy prices, and lower projected interest rates. This weakness has gathered pace in June, with the NZ dollar down more than 10% against the AUD from the April highs, where it traded very close to parity. That seems like a different world to where we are currently, and shows just how quickly markets can turn.

One of our Australian managers, Philip King, who is CIO at Regal, has been in the news due to an ASIC (Australian Securities and Investment Commission) 'please explain' request regarding trading activities in 2013. We have been in regular contact with Regal since this news broke and I met with them at their Sydney Offices on June 18th. Philip denies any wrong doing, and despite significant redemptions, mostly from retail investors, Regal have managed liquidity through the process extremely well. Both funds were performing in line with our expectations in June, with Regal l/s down about half of the market's fall, and Atlantic down about the same as the market, which is their average result in down markets, despite significant gearing. We remain invested until we have more information. Regal is one of Australia's most successful and oldest long/short managers.

While in Australia I also caught up with Kardinia, Auscap, Monash, Perpetual Pure Equity Alpha, Wilson, and Wavestone. He also met a number of long/short managers not currently in our portfolio, including Paragon, Arnhem,

Bennelong Long/Short, and Optimal. Some of the common take-outs from these visits were the general optimism around the opportunities they were finding in the Australian market. Amongst these are a large number of IPO's, some attractively priced (others are not). There has also been a decent correction in the banks, providing trading opportunities, and a number of our managers were able to time their long and short exposure to make money on both sides.

On the short side, common themes are Mining Servicing and Retail, particularly some of the large operators like Myers, Woolworths and Metcash.

Most managers are able to allocate to smaller businesses outside the top 100. Some of our underlying managers, LHC, Smallco and PIE (2 funds) specialise in the smaller end of the market. Of these, only PIE Emerging companies (ECF) specifically targets businesses in the micro-cap space. For PIE ECF, these are businesses capitalised at <\$150m. LHC looks for businesses >A\$250m and Smallco >\$300m. LHC has no hard and fast rules which prevent them from going smaller but Smallco will not invest in businesses <\$100m.

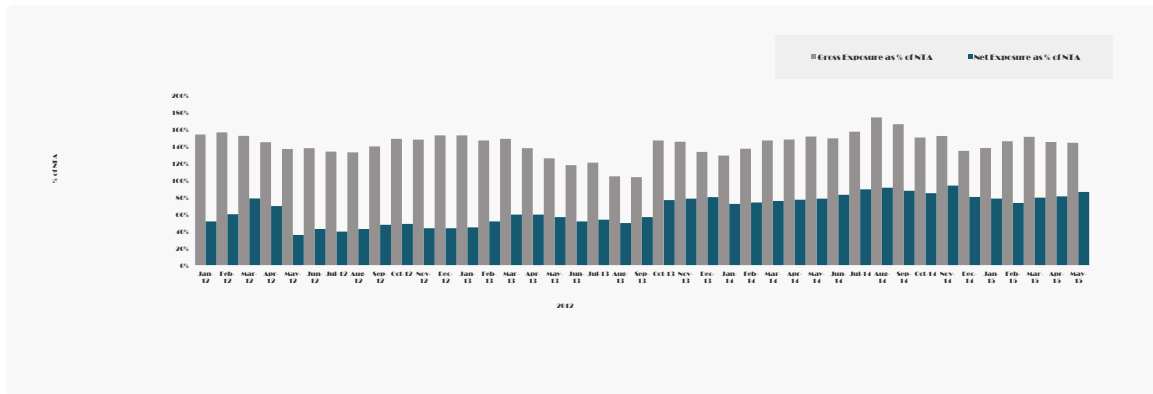
Pie Emerging Companies has been a stellar performer since launching in April 2013. King Tide was a seed investor in this fund, and we have been amply rewarded for that decision. The fund has risen 116%, (42.6% p.a.), making money in up and down markets. The closest comparison in terms of a market index is the S&P ASX Emerging Companies Index which tracks 200 stocks ranked between the 350th and 600th on the Australian market in terms of market capitalisation. Since April 2013, this index has fallen -4.5%. Despite these outstanding results, PIE Emerging is a small weighting in the portfolio, simply because of the liquidity risk that characterises this end of the market.

Looking across the portfolio, as well as the small cap specialists, most managers have some exposure to smaller businesses. This makes perfect sense. It is unlikely one of Australia/NZ's large companies doubles or triples in value over the next two to three years, but there are smaller businesses currently listed which will. Examples our managers have owned over the last year are Vista, Greencross, Greencross Health, Kip McGrath, Nanosonics and TPG Telecom. One of the strong advantages of investing in a broadly diversified portfolio like King Tide, is that you participate in the outsized gains of many small and large businesses in a very low risk way.

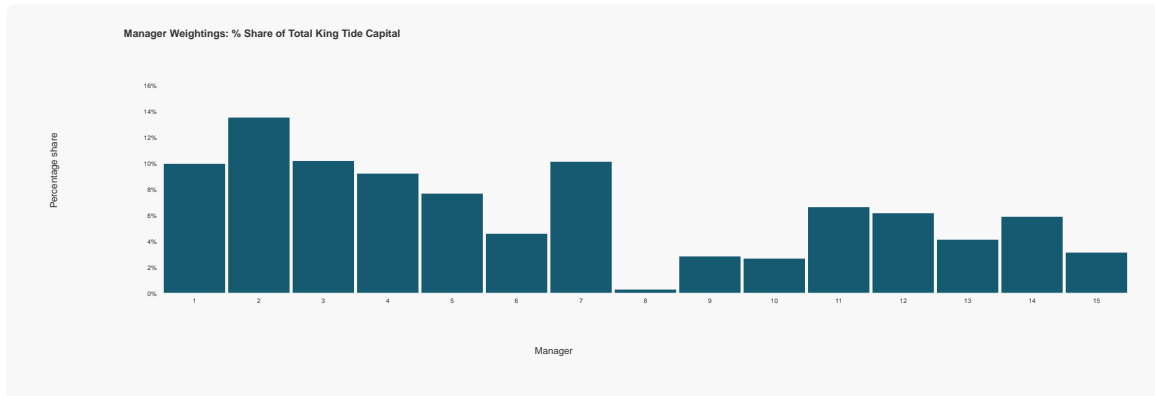


King Tide - Fund Performance vs. Benchmark (Net of Fees)

	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%	-4.14%	-1.29%	-0.47%	1.97%	2.00%	1.06%	0.84%	1.17%	4.85%
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%	0.82%	3.25%								11.51%
King Tide AUD		0.96%	7.05%	2.05%	-1.12%	-0.41%								8.62%
Blended Benchmark		5.13%	2.46%	-1.92%	0.11%	3.19%								9.14%



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.

