

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.

Please note performance has been restated from NZD to AUD for information purposes only

| Fund size | A\$22.8m | | KT AUD | Benchmark |
|----------------------|---|------------------------------------|--------|-----------|
| Inception Date | January 1, 2012 | 1 Month | -0.45% | -0.43% |
| Unit Price | 1.279856 | 6 Month | -6.65% | 2.15% |
| Since Inception p.a. | 9.28% | 1 Yr | -2.15% | 17.45% |
| Benchmark | 90% All Ords Accum/10% NZX50 | 2 Yr p.a. | 8.40% | 6.35% |
| Application | Monthly | 3 Yr p.a | 9.95% | 8.24% |
| Liquidity | Monthly with 35 days notice | Annualised SD | 5.26% | 11.31% |
| Administration fees | 0.75% total, incl Trustee, Custodian, Audit | Beta | 0.51 | 1.00 |
| Performance fee | 10% with high water mark | Largest monthly loss | -5.54% | -7.13% |
| Administration | Adminis | Sharp Ratio 3 yr (RFR=RBNZ cash) | 0.73 | 0.53 |
| Legal Counsel | Minter Ellison Rudd Watts | Avg Return in Market Positive Mths | 1.66% | 2.87% |
| Auditor | PWC | Avg Return in Market Negative Mths | -1.06% | -2.76% |

Monthly Performance Review

King Tide fell -0.45% in January versus a fall of -0.43% for our benchmark on the back of a -0.77% fall in the Australian All Ordinaries and a 0.12% gain in the NZD while the NZX50 had its best month since July, rising 2.46%.

The bifurcation of the Australian market continued last month with large caps (-0.79%) outperforming small caps (-2.44%), while the differential between industrials and resources was even more stark with large resources (+5.16%) outstripping small industrials (-3.83%). Over the last 12-months large resources have returned a staggering 64.9% versus 7.7% for small industrials. It should be noted that although resources comprise approximately 40% of the companies on the ASX they make up only ~18% when measured by market capitalisation.

These movements have proven to be a significant headwind to King Tide's performance over recent months as our managers have typically been tilted both towards the smaller end of the market and away from the resources sector. Although we have managers such as Paragon that are active in the resources space, by and large most of our managers tend to avoid this part of the market due to its extreme cyclical and volatility.

Amongst our managers 8 of 15 returned positive results for the month with 10 of them outperforming their local market. Monash, Smalco and Auscap were the key detractors for the month, falling -4.01%, -2.70% and -1.20% respectively, while on the positive side of the ledger were L1, Paragon and PIE Growth with returns of 2.51%, 2.29% and 0.68%.

For Monash this was a particularly disappointing result having avoided many of the high profile "blow ups" and profit downgrades during the month. Nevertheless, many of their stocks have been derated on the back of little or no news as investors rotated out of small cap growth stocks and into large caps and value. As a result, the fund experienced its worst quarter on record in the three months to January (-8.60%) and is currently down -6.72% over the last 12 months. Despite this the manager maintains "...every confidence that the underlying success of [the fund's stocks] will be reflected in their share prices sooner or later."

LHC stemmed the bleeding after their horror 4th quarter of 2016, marginally outperforming the All Ordinaries, although they fell -0.56% in absolute terms. Meanwhile L1, who we added at the end of November, had another solid month, rising +2.51% in January. L1's positioning in the large cap end of the market and avoidance of high P/E stocks has continued to pay dividends with Bluescope Steel having another standout month (+21%).

At the end of the month we added the Level 18 Fund following on from the final redemption of the Bennelong Long Short Equity Fund at the end of December. Level 18 is very much in the same mould as WAM, one of our existing managers. The fund is run by a trio of highly experienced and well regarded managers; Gary Joffe and Glen Poswell, formerly of Ellerston Capital; and Matthew Kidman formerly at WAM.

Like WAM, Level 18 invests predominantly in undervalued growth companies, focusing on the smaller end of the market, however unlike WAM it currently manages less than \$100m and intends to close the fund at \$150m. It should go without saying that a manager's ability to outperform the market tends to deteriorate as the size of their funds under management grows and we particularly like managers that are prepared to forgo FUM growth in order increase their odds of outperforming.

Furthermore, we also like Level 18's risk management principals, which include limits on prices movements, liquidity and short interest (the quantity of a stocks shares that have been sold short). Additionally the fund typically holds a diversified portfolio of ~40 stocks, with a maximum weighting of ~10%, while another factor in its favour is the fund's lack of leverage.

Since its inception in September 2013, Level 18 has produced an annualised return of 12.3%, versus 7.5% for the All Ordinaries and 5.2% for the Small Ordinaries, while volatility (7.0% p.a.) has been well below that of the market (11.8%).

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King Tide Asset Management
Monthly Performance Summary - January 2017

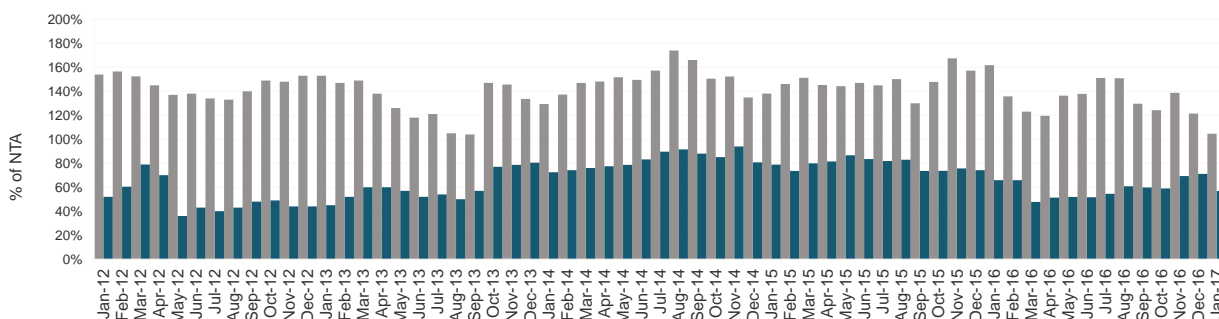
King Tide - Fund Performance vs. Benchmark (Net of Fees)

| | 2017 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|--------------------|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| King Tide AUD | | -0.45% | | | | | | | | | | | | -0.45% |
| Blended Benchmark* | | -0.43% | | | | | | | | | | | | -0.43% |
| | 2016 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| King Tide AUD | | -4.03% | -3.03% | -0.77% | 0.61% | 4.76% | 0.08% | 3.27% | -0.39% | 0.20% | -3.30% | -2.21% | -0.64% | -5.67% |
| Blended Benchmark* | | -5.32% | -1.15% | 4.87% | 3.18% | 3.30% | -2.01% | 6.21% | -0.95% | 0.15% | -2.60% | 2.32% | 3.77% | 11.69% |
| | 2015 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| King Tide AUD | | 0.96% | 7.05% | 2.05% | -1.12% | -0.41% | -5.54% | 5.88% | -0.66% | 3.65% | 6.40% | 5.07% | 5.19% | 26.33% |
| Blended Benchmark* | | 2.84% | 6.89% | 0.04% | -1.59% | 0.26% | -5.60% | 4.43% | -7.13% | -2.13% | 5.27% | -0.83% | 3.05% | 4.58% |
| | 2014 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| 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* | | -2.17% | 4.76% | 0.50% | 1.25% | 0.29% | -1.17% | 3.94% | 0.54% | -5.04% | 3.73% | -2.40% | 2.36% | 6.69% |
| | 2013 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| 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* | | 5.17% | 3.60% | -0.65% | 4.17% | -4.11% | -2.37% | 5.66% | 2.13% | 2.85% | 3.69% | -1.27% | 1.03% | 21.16% |
| | 2012 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
| King Tide AUD | | 2.49% | 2.98% | -0.76% | -1.09% | -4.14% | -1.04% | -0.47% | 1.97% | 2.00% | 1.06% | 0.84% | 1.17% | 4.89% |
| Blended Benchmark* | | 4.99% | 2.29% | 1.74% | 1.06% | -6.54% | 0.09% | 3.63% | 2.33% | 2.66% | 2.91% | 0.39% | 3.23% | 19.93% |

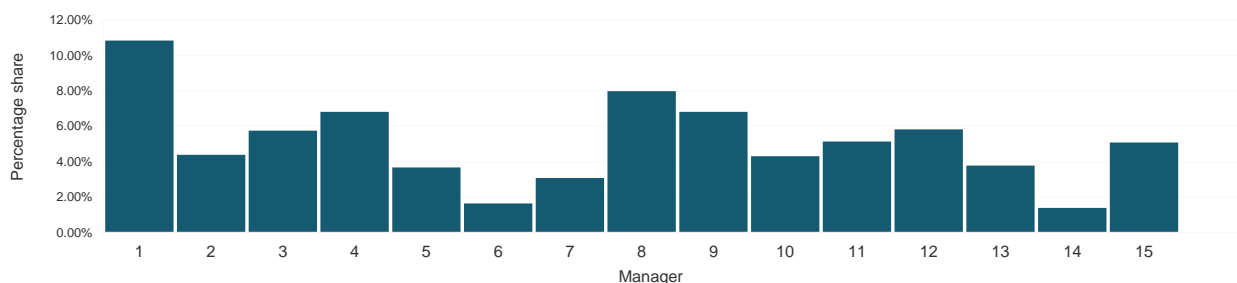
*90% All Ordinaries Accum/10% NZX50

Gross and Net Exposure (% of Net Asset)

■ Gross Exposure as % of NTA ■ Net Exposure as % of NTA



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.