LIONTAMER AUSTRALIA SERIES 1 TRUST 32

RESEARCH PAPER | June 2009

THIS PAPER PROVIDES AN IN-DEPTH ANALYSIS OF LIONTAMER AUSTRALIA SERIES 1 TRUST 32. THE MAIN FEATURES OF THE FUND, INCLUDING BENEFITS AND LIMITATIONS OF INVESTING IN THE FUND, ARE DISCUSSED.

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1. EXECUTIVE SUMMARY

Liontamer is a boutique fund manager established in New Zealand in 2003. They specialise in structured retail products (typically capital protected products).

Liontamer Australia Series 1 Trust 32 ("Liontamer Australia Series 1") is the 32nd fund launch for Liontamer and the first fund launched since Liontamer was purchased back by its original founders from Belgian Bank, KBC.

Liontamer's latest offering, Liontamer Australia Series 1, provides exposure to the S&P/ASX 200 Index through the purchase of financial instruments issued by Barclays Bank.

Investors have a choice of investing in two types of units, namely:

- Protected Units (6 year term)
- Unprotected Units (5 year term)

This is the first time Liontamer are issuing Unprotected Units, meaning investors have the choice of allowing their investment to be subject to normal market volatility.

Liontamer Australia Series 1 is an Australian Unit Trust and for New Zealand tax residents will be treated as offshore investments for tax purposes. Generally offshore investments will fall under the purview of the provisions of the Foreign Investment Funds [FIF] rules.

Fees

- Entry Fee - 3% which is rebateable and paid to financial intermediaries. Direct investors pay the full fee and do not receive a rebate.
- Exit Fee - 2% for any exits prior to maturity (applies to both Protected and Unprotected Units). At or after maturity all repurchases are charged a 2% fee. Redemptions at maturity have no fee. [For any exit prior to maturity, capital protection will not apply and the investor may receive significantly less than the original amount invested].
- Management fee – Nil.
- Liontamer may charge other fees depending on the Trust Deed. For instance, a fee may be applicable for administering unwinding of the Trust. Any fee in relation to the unwinding of the Trust is limited to the value of the interest earned on the assets of the fund prior to the proceeds being paid out to investors.

Under the terms of the Trust Deed, Liontamer also has the right to make alterations to the Entry Fee Administration Fees and Exit Fee payable by a Unitholder.

Also when withdrawals are made the investor will receive the NAV per unit on the valuation day less the buy spread charged by Barclays Bank. Barclays is expected to charge no greater than a spread of 100 basis points.

Brokerage

Brokerage will be paid to financial advisers at the beginning of the relevant Investment Period. Brokerage is paid by Liontamer and is not a cost to Unitholders. The Brokerage rates are as follows:

- 2% of the Application Amount (after any Entry Fee charged) for Protected Units
- 1.5% of the Application Amount (after any Entry Fee charged) for Unprotected Units.

2. AT A GLANCE: STRUCTURE, FUND AND FEES

Structure

Issuer	**Liontamer Investment Management Pty Limited**
Trust Name	AUSTRALIA Series 1
Legal Structure	Australian Unit Trust
Unit Classes	Protected or Unprotected Units
Minimum Investment	NZD$5,000 (units issued at $1.00)
Registrar	Link Market Services
Trustee	NZ Permanent Trustees (subsidiary of Public Trust)
Auditor	PricewaterhouseCoopers
Tax	Foreign Investment Fund (FIF)

Fund

	Protected Units	**Unprotected Units**
Term	6 years	5 years
Protection level	100% capital protection at maturity	None
Participation rate	100% (1 x the rise in the Index)	160% (1.6 x the rise in the Index)
Counterparty	Barclays Bank PLC	Barclays Bank PLC
Index	S&P/ASX 200	S&P/ASX 200
Currency	NZD (fully hedged)	NZD (fully hedged)
Averaging of Index	6 months at the beginning and 12 months at the end of the term.	3 months at the beginning and 12 months at the end of the term.
Early maturity	If NAV reaches $1.60 in first 3 years, the gain will be locked in and the Fund will be closed early.	No early maturity feature. Investors may exit at NAV at any quarterly exit point.
Liquidity	Quarterly liquidity. No capital protection prior to maturity. Maximum value prior to maturity is $1 less a 2% exit fee. In exceptional circumstances (e.g. death and financial hardship), investors can exit at NAV above $1 if the value of the assets of the Fund is higher.	Quarterly liquidity. Exit values will correspond to the value of the assets of the Fund and can be above or below $1. The restrictions around value which apply to the Protected Units do not apply to the Unprotected Units.

Fund (continued)

Transferability	Cannot be transferred to other Unitholders unless the transfer is between family members or family trusts and beneficiaries.	No restrictions on transfer of ownership.

3. LIONTAMER

Liontamer (Liontamer Investment Management Pty Limited) is a boutique fund manager established in New Zealand in 2003. Their first product was launched in May 2003 and the Liontamer Australia Series 1 will be their 32nd fund launched in New Zealand.

Corporate Structure

Prior to May 2007, Liontamer was owned by the co-founders, Laetitia Peterson and Janine Starks. (Background of key personnel can be found in Appendix 2.) In 2007, 51% of Liontamer was purchased by KBC Asset Management, a subsidiary of Belgium based bank, KBC. During the period of December 2007 to January 2009, KBC was the sole asset provider for Liontamer funds, where Liontamer invested the aggregate investment amount for all new funds in financial assets issued by KBC.

However, in early 2009 KBC decided to conduct a review of its non-core operations outside its home markets. The review arose as KBC was seeking to consolidate its businesses in tough conditions because of the depth and seriousness of the global economic situation. In January 2009, KBC sold its 51% stake in Liontamer back to the co-founders of Liontamer. Since the ownership change, Liontamer also deals with other investment banks in regard to providing capital protection.

Barclays Bank as Counterparty

Liontamer Australia Series 1 invests in financial instruments sold by Barclays Bank PLC. Thus Barclays Bank PLC is a supplier and counterparty to Liontamer Australia Series 1 Trust.

Barclays Bank PLC (Barclays Bank) is the subsidiary of Barclays Group. Barclays Bank is a provider of financial services in Europe, North America, the Middle East, Latin America, Australia, Asia and Africa. The main operations of Barclays include: (i) Global Retail and Commercial Banking; and (ii) Investment Banking. The holding company is listed on the London, New York and Tokyo stock exchanges, the Bank's headquarters are in London, UK.

Credit Rating

A credit rating is an assessment of the solvency or the credit-worthiness of creditors and/or bond issuers according to established credit review procedures. Barclays Bank is rated by all three of the main credit rating agencies.

Most recent ratings as at January 2009

Rating Agency	Short-term rating	Long-term rating	Outlook
Standard & Poor’s	A-1+	AA-	Negative
Moody’s	P-1	Aa3	Negative
Fitch	F1+	AA-	Stable

Financial Performance and Position

Table 1: Financial Position of Barclays Bank PLC

GBP millions	2004*	2005	2006	2007	2008
Total assets	522,253	924,170	996,503	1,227,583	2,053,029
Shareholders' equity	18,482	24,243	25,421	29,872	41,202
Equity/Total Assets	3.5%	2.6%	2.6%	2.4%	2.0%
Net Profit After Tax	3,279	3,696	4,914	4,749	4,846

* UK GAAP, IFRS thereafter

In 2009, Barclays PLC announced a Q1 2009 net profit after tax of £826 million. This is a 12% increase on Q1 2008.

4. INVESTMENT STRATEGY

Liontamer seeks to base their funds on sectors and asset classes that are of interest to investors at certain times of the market cycle. This allows investors to capitalise on views that they might have about the market or sector specific stocks.

Liontamer follows an investment strategy where it invests the aggregate investment amount for the trust in financial assets, issued by a global investment bank. In exchange, the investment bank agrees to base the performance return on a specific basket of stocks or a stock market index.

On the maturity date the investment bank is legally liable to pay to Liontamer as Trustee of the Trust an amount equivalent to the invested capital plus the Index-Linked Return, or the capital protected amount (if applicable). The Index-Linked Return is calculated by reference to the performance of the relevant index over the investment period. The latest offering, Liontamer Australia Series 1 provides exposure to Australian equities through an S&P/ASX 200 Index-Linked return.

Liontamer Australia Series 1

Liontamer Australia Series 1 provides exposure to S&P/ASX 200 Index. Liontamer does not directly invest in S&P/ASX 200 and it is through the purchase of financial instruments issued by Barclays Bank that the Fund is expected to receive its investment exposure to the Index.

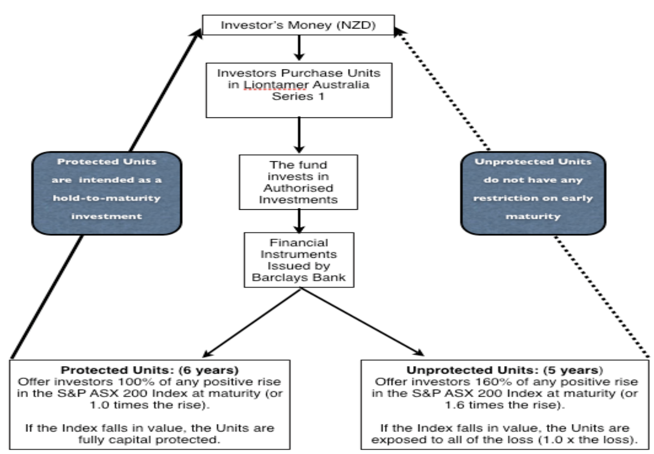
Barclays Bank is the Asset Provider for the Fund. The assets of the Fund constitute unconditional, unsecured and unsubordinated obligations of the investment bank and are ranked equally with all present and future unsecured unsubordinated cobligations of the investment bank (except as prescribed by law).

Barclays Bank does not guarantee repayment of the units or any returns on the units nor do any of them accept any other liability to Unitholders. The investment strategy exposes the investors to a number of risks which are discussed in the section on risks.

Investors have a choice of investing in two types of units, Protected or Unprotected.

An investor can invest in the Fund directly (minimum NZD$5,000). Protected Units offer investors 100% of any positive rise in the Index at maturity (or 1.0 times the rise). If the Index falls in value, the Units are fully capital protected. Unprotected Units offer investors 160% of any positive rise in the Index at maturity (or 1.6 x the rise). If the Index falls in value, the Units are exposed to all of the loss (1.0 x the loss). The key features, benefits and limitations of Protected and Unprotected units are discussed in sections 5, 6 and 7 respectively.

Figure 1: Summary of Investment Strategy



5. PROTECTED UNITS

The Protected Units of Liontamer Australia Series 1 have a 6-year term with full capital protection at maturity. Full capital protection (100%) means that Unitholders will receive back their invested capital on maturity even when the linked index has experienced losses. The original capital is protected because Liontamer enters into investments that are designed to return at maturity the original capital amount.

Protected Units provide individual investors a way to limit losses and still earn a return based on the performance of S&P/ASX 200 Index. At maturity date the investor receives an Index-Linked return less any applicable fees.

Figure 2: Return for Protected Units

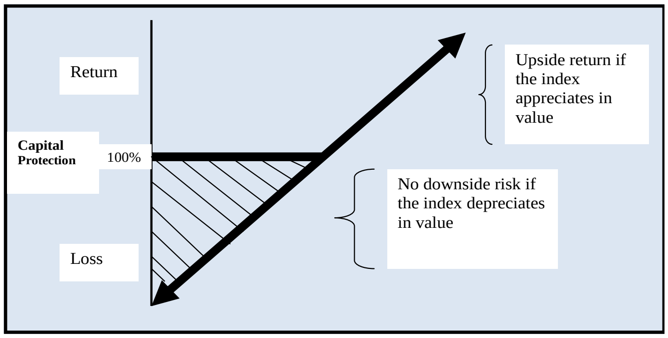


Figure 1 shows that where the S&P/ASX 200 index has appreciated in value at maturity, the investor receives their invested capital plus a return equal to the appreciation in the Index. However if the linked index has fallen in value at maturity, the investor receives their original invested capital (after any entry and exit fees) under 100 % capital protection.

Some other key features of the Protected Units that will determine the final return to the investor are as follows:

- The initial Index level is subject to 6 months averaging and the final Index level is subject to 12 months averaging. Averaging has been included to act as a mechanism for smoothing volatility at the beginning and the end of the relevant Investment Period. It also lessens the concentration risk of having a single entry and exit point.
- The Protected Units have an Early Maturity feature. If the Assets of the Fund corresponding to the Protected Units reach a value of $1.60 within the first three years of the Investment Term, the Assets of the Fund will be terminated and your units will be repaid.
- The Protected Units are intended to be hold-to-maturity investments. Quarterly exits are available but investors should bear in mind that they may get back significantly less than they have invested and they will incur an exit fee of 2%. Restrictions on the exit value apply to the Protected Units. Investors with no exceptional circumstances (e.g. death or financial hardship) are limited to a maximum repayment of $1.00 per unit, less a 2% exit fee. Capital protection plus the formula of returns only apply at maturity.

Benefits of Protected Units

- Capital Protected Units provide investors with exposure to financial markets. The attraction of the protection is that if markets rise the upside is captured with limited exposure to downside risk.
- As long as the investor stays invested for the full term, the value of their initial investment is protected at maturity, even if the underlying assets go down in value.
- Capital Protected Units may serve as a good transition product for low risk investors. It could suit the needs of risk averse and risk neutral investors.

Capital Protected Units also give investors, who hold particular tactical views on the market but fear the potential downside risk, a way to capitalise on their tactical views.

6. UNPROTECTED UNITS

Unprotected Units of Liontamer Australia Series 1 Trust have a 5-year term with no capital protection at or prior to maturity. Investors receive 1.6 times the rise in the Index at maturity, or 1.0 times the fall in the Index at maturity.

Unprotected Units provide investors a way to maximise returns based on the performance of S&P/ASX 200 Index. If the Index rises by 10% there is a 16% increase in the value of the Units (1.6 times the rise). However, investors are also exposed to downside risk. For example, if the Index falls by 20%, investors will experience a 20% loss in the value of their units.

Figure 3: Return for Unprotected Units

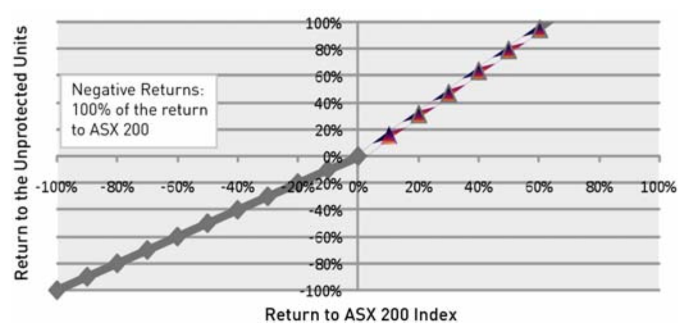


Figure 3 demonstrates that where the S&P/ASX 200 Index has appreciated in value, the investor receives 1.6 times the rise in the Index. However if the Linked Index has fallen in value the investor will face downside risk and receive 1.0 times the fall in the index.

Some other key features of the Unprotected Units that will determine the final return to the investor are as follows

- The Unprotected Units will not have a restriction placed on their exit value in the event of early redemption. Gains and losses are not locked in and investors can withdraw their units quarterly.
- The initial Index level is subject to 3 months averaging and the final Index level is subject to 12 months averaging. Averaging has been included to act as a mechanism for smoothing volatility at the beginning and the end of the relevant Investment Period. It also lessens the concentration risk of having a single entry and exit point.
- The Unprotected Units do not have an early maturity feature.

Benefits of Unprotected Units

- The Unprotected Units provide individual investors a way to earn a return that is higher than the market if the performance of S&P/ASX 200 Index increases.
- Investors who are confident about the long-term performance of the Australian share market can capitalise on their views by investing in Unprotected Units.
- The Unprotected Units will not have a restriction placed on their exit value in the event of early redemption. Gains and losses are not locked in and investors can withdraw their units quarterly.

7. RISKS

Risks	Protected Units	Unprotected Units
Counterparty risk	The assets of the Fund constitute unconditional, unsecured and unsubordinated obligations of the investment bank and are ranked equally with all present and future unsecured unsubordinated obligations of the investment bank. The investor is exposed to the potential credit risk that the investment bank is put into liquidation or is unable to meet its payment obligations in respect of the assets of the Fund.	Similar to Protected Units, the assets of the fund constitute unconditional, unsecured and unsubordinated obligations of the investment bank and the investor is exposed to the potential credit risk that the investment bank is put into liquidation or is unable to meet its payment obligations in respect of the assets of the Fund.
Real returns	While the capital is protected, a loss could still be made. If you just protect your capital and make no additional return, you could actually go backwards once inflation is taken into account. Capital protected products assure the investor of protecting the nominal value rather than real value of invested capital.	Unlike Protected Units, the Unprotected Units are subject to downside risk For example, if the S&P/ASX 200 Index falls by 20%, the Investor will experience a 20% loss in the value of their Units.
Liquidity risk	Liquidity is only available quarterly. Protected Units are intended as a hold-to-maturity investment and the units are usually non-transferable. Liquidity risk exists due to the restrictions on early repayment. Capital protection will not apply where an investor has requested early repayment and the investor may receive substantially less than their initial investment amount. Maximum value prior to maturity is $1 per unit less a 2% exit fee. In exceptional circumstances (e.g. death and financial hardship), investors can exit at NAV above $1 if the value of the assets of the Fund is higher. Full repayment of Protected Units may be postponed if redemption or repurchase requests are received in respect of Protected Units which in aggregate are more than 5% (or such other percentage as notified by Liontamer to Unitholders of Unprotected Units) of the Unprotected Units then on issue. In this situation, such postponed repayment requests will receive first priority on the next repayment date.	Liquidity is only available quarterly. Full repayment of Unprotected Units may be postponed if redemption or repurchase requests are received in respect of Unprotected Units which in aggregate are more than 5% (or such other percentage as notified by Liontamer to Unitholders of Unprotected Units) of the Unprotected Units then on issue. In this situation, such postponed repayment requests will receive first priority on the next repayment date.
General market risk	Returns from share market linked investments may fluctuate significantly and affect the Index Linked Return for the Trust on the capital protection maturity date. The different companies that make up the Index will perform differently and the performance of these companies can materially influence the performance of the Index. (Please view Appendix 1 for different return scenarios.)	Similar to the Protected Units, the Unprotected Units are subject to general market risks. Unlike Protected Units, the Unprotected Units are subject to downside risk. For example, if the Index falls by 20%, the investors will experience 20% loss in the value of their units.
General market risk	Returns from share market linked investments may fluctuate significantly and affect the Index Linked Return for the Trust on the capital protection maturity date. The different companies that make up the Index will perform differently and the performance of these companies can materially influence the performance of the Index. (Please view Appendix 1 for different return scenarios.)	Similar to the Protected Units, the Unprotected Units are subject to general market risks. Unlike Protected Units, the Unprotected Units are subject to downside risk. For example, if the Index falls by 20%, the investors will experience 20% loss in the value of their units.
Early termination of the Assets of the Fund	Under the terms of the Assets of the Fund, either Liontamer or the Fund Asset Provider may designate an early termination date for the Assets of the Fund prior to their maturity on the occurrence of certain extraordinary events affecting the Fund Asset Provider or Liontamer. If the Assets of the Fund are terminated, Liontamer will notify corresponding Unitholders, specifying a date on which all corresponding Units are to be repaid. The Repayment amount may be significantly less than your Investment Amount due to establishment costs, the Exit Fee (if applicable), changes in market conditions and other risks as described above.	Similar to the Protected Units, the Unprotected Units are subject to the risk of early termination of the Assets of the Fund.

8. TAXATION – NEW ZEALAND RESIDENT INDIVIDUAL INVESTORS

Liontamer funds are structured as Australian Unit Trusts, thus investments for New Zealand tax residents will be treated for tax purposes as offshore investments. Generally offshore investments will fall under the purview of the provisions of the Foreign Investment Funds [FIF] rules.

Unitholders should not be subject to Australian capital gains tax on the basis that the trusts will not invest in Australian real property or hold assets which will be used in carrying on business through an Australian permanent establishment.

Under the FIF rules there are two generic means by which New Zealand resident individual investors will be taxed depending on the total cost of their FIF investments (which include adjustments where investments are bought/sold during the year; in addition a daily weighted average calculation method is available):

- **Option 1:** Cost base of all FIF investments is *greater* than $50,000 at any time during the year; then FDR (or CV) method will apply.
- **Option 2:** Cost base of all FIF investments is $50,000 or *less* at all times during the year; then the old method will apply.

In terms of the FDR method the Inland Revenue Department [IRD] issued a determination on 22 January 2008 which, provided the criteria in the determination are fulfilled, allows investors in units of Liontamer trusts to adopt the FDR method. The FDR method is outlined below.

"Fair Dividend Rate" [FDR] Method and the "Comparative Value" [CV] Method

If the value/cost of all your offshore investments is greater than $50,000 then you will generally be taxed on 5% of the opening market value of all your attributing interests in offshore investments. However the tax liability for each individual investor may vary depending on the individual circumstances and other FIF investments held (if any). For specific details on the calculation methods see the IRD website or consult your tax adviser.

The exception to this is where the change in value of your investment is by an amount less than zero (i.e. a loss), or where the return is less than 5%, in which case eligible individual investors may opt to use the CV method. Where you decide to use FDR for one investment, then you must use this method for all your FIF investments that year, unless the legislation prevents you from using the FDR method for a particular investment, such as a guaranteed return investment; (this is where you should check the fund structure against the IRD determination mentioned above).

Potential implications for Liontamer investors

Generally speaking for individual investors in Liontamer funds, the following is likely to apply in terms of tax implications:

Option 1: Cost base of all FIF investments is more than $50,000 at all times during the year then:

If Return is	<0%	>0% and <5%	>5%
Then	No tax to pay. Loss cannot offset other tax liabilities or be carried forward. *(CV Method)*	Pay tax on the actual gain. *(CV Method)*	Pay tax on 5% of opening market value. *(FDR Method)*

Option 2: Cost base of all FIF investments is $50,000 or less at all times during the year then:

Each investment is viewed individually for tax purposes:

- Annual distributions (dividends) are liable for tax at the investor's marginal rate.
- If the manager 'redeems', gains are deemed to be dividends and liable for tax at the investor's marginal rate.
- If the manager 'repurchases', any gains (losses) may be either a capital gain and not taxable or a taxable gain(loss) depending on each individual's circumstances.

Protected versus Unprotected

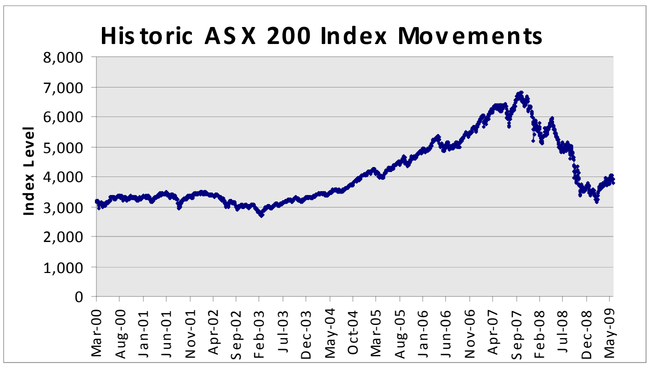
The tax treatment for Protected Units and Unprotected Units will be different as the market value of the units is different during the term of investment. The market value for a Protected Unit will remain at $1.00 during the term of the investment. However the market value for the Unprotected Units will change each year depending primarily on the movement and volatility of the Index, and the movement in medium term interest rates.

Please note: This summary addresses certain New Zealand tax consequences for New Zealand tax residents who are natural persons, and does not apply to persons who are not New Zealand tax residents. All references to taxation (whether in this section or elsewhere in this report) are of a general nature only and are not (and should not be interpreted as) legal or tax advice to any investor. There may be other tax considerations that may be relevant to a decision to purchase, sell or hold units in Liontamer funds. It is recommended, therefore, that all prospective investors obtain professional advice relevant to their own particular circumstances. FundSource and NZX take no responsibility for providing taxation advice to individual Unitholders.

9. PAST PERFORMANCE

The performance of the Protected or Unprotected Units depends on the units' own unique features and the performance of the linked S&P/ASX200 Index. The S&P/ASX200 Index is recognised as the investable benchmark for the Australian equity market. It measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation. The Index is a capital index, so it does not account for dividend payments.

Figure 4: ASX 200 Index Return



The performance of the S&P/ASX 200 Index has been positive since its inception in 2000 until October 2007, after which it started decreasing. The Australian share market has experienced declines, hit by the global sell-off in equities. However some level of recovery can be seen in the last couple of months. The return over the past 5 years is 13.19% (annualised rate of 2.5%) and the return over the past 6 years is 30.28% (annualised rate of 5.4%).

Past performance of other Liontamer funds

The performance of other Liontamer funds that have matured is not a representation of performance of current or future Liontamer funds. To date only three funds have matured and the total return of these ranged from 40% to 227% (over a 3 - 4 year term period). The start date of these funds was 2004-05 and maturity was 2006-07, thus there is an element of market timing involved given that many markets were peaking around this time.

Please view Appendix IV for the list of current Liontamer funds.

10. RECOMMENDATION

Liontamer Australia Series 1 provides exposure to S&P/ASX 200 Index. Investors have a choice of investing in two types of units, Protected or Unprotected. Protected Units offer investors 100% of any positive rise in the Index at maturity. If the Index falls in value, the Units are fully capital protected. Unprotected Units offer investors 160% of any positive rise in the Index at maturity. If the Index falls in value, the Unprotected Units are exposed to all of the loss (1.0 x the loss).

Protected Units are intended as a hold-to-maturity investment and capital protection only applies at maturity. Unprotected Units do not have restrictions on early maturity and withdrawals can be made quarterly. Therefore, an investor's investment timeframe should match the term of the Liontamer investment.

In general, Liontamer Protected Units could be suitable for:

- Investors who want to diversify their investment portfolio and gain upside exposure to Australian equities without the downside risk;
- Risk averse and risk neutral investors; or
- Investors who expect a positive performance of underlying sector over the term period.

In general, Liontamer Unprotected Units could be suitable for:

- Investors who want to diversify their investment portfolio and gain exposure to Australian equities;
- Investors who want to gain added upside exposure to S&P/ASX 200 Index and investors that are less concerned about downside risk; or
- Low risk averse investors.

The Protected and Unprotected Units of Australia Series 1 Trust have unique features; FundSource recommends, prior to investing, detailed analysis of these features and how they would impact performance of the Fund and the investor's investment portfolio as a whole. FundSource recommends consulting a financial or other professional adviser. Any investment made in the Fund should be part of an overall diversified investment portfolio.

Appendix 1

Based on a $10,000 investment, this table illustrates what you might receive at the end of the relevant Investment Period, if your investment is held through to the relevant Maturity Date, and if the Index performs to the percentage levels shown when comparing the Final Index Level to the Initial Index Level. The annualised and the total return take into account a 3% entry fee and a 2% exit fee (assuming the units are repurchased at the end of the term). Please note the 3% Entry Fee can be rebated at the Financial Adviser's discretion. This rebate is not available to direct investors.

Return for Protected Units								
Maturity Period	Investment Amount ($)	Entry Fees (3%) ($)	Units Purchased	Movement of the Index at Maturity Date from Inception	Protected Units total return ($)	Exit fees (2%) ($)	Total return After fees (Gross of tax) ($)	Annualized return after fees (gross of tax)
6 Years	10,000	300	9,700	60%	15,520	310	15,210	**7.13%**
6 Years	10,000	300	9,700	50%	14,550	291	14,259	**6.09%**
6 Years	10,000	300	9,700	40%	13,580	272	13,308	**4.88%**
6 Years	10,000	300	9,700	30%	12,610	252	12,358	**3.59%**
6 Years	10,000	300	9,700	20%	11,640	233	11,407	**2.22%**
6 Years	10,000	300	9,700	10%	10,670	213	10,457	**0.75%**
6 Years	10,000	300	9,700	0%	9,700	194	9,506	**-0.84%**
6 Years	10,000	300	9,700	-10%	9,700	194	9,506	**-0.84%**
6 Years	10,000	300	9,700	-20%	9,700	194	9,506	**-0.84%**
6 Years	10,000	300	9,700	-30%	9,700	194	9,506	**-0.84%**
6 Years	10,000	300	9,700	-40%	9,700	194	9,506	**-0.84%**
Early Maturity if the Index rises by 60 percent within the first 3 years of the term								
3 years	10000	300	9700	60%	15520	310	15210	**15.00%**

Return for Unprotected Units								
Maturity Period	Investment Amount ($)	Entry Fees (3%) ($)	Units Purchased	Movement of the Index at Maturity Date from Inception	Protected Units total return ($)	Exit fees (2%) ($)	Total return After fees (Gross of tax) ($)	Annualized return after fees (gross of tax)
5 Years	10,000	300	9,700	60%	19,012	380	18,632	**13.25%**
5 Years	10,000	300	9,700	50%	17,460	349	17,111	**11.34%**
5 Years	10,000	300	9,700	40%	15,908	318	15,590	**9.29%**
5 Years	10,000	300	9,700	30%	14,356	287	14,069	**7.07%**
5 Years	10,000	300	9,700	20%	12,804	256	12,548	**4.64%**
5 Years	10,000	300	9,700	10%	11,252	225	11,027	**1.97%**
5 Years	10,000	300	9,700	0%	9,700	194	9,506	**-1.01%**
5 Years	10,000	300	9,700	-10%	8,730	175	8,555	**-3.07%**
5 Years	10,000	300	9,700	-20%	7,760	155	7,605	**-5.33%**
5 Years	10,000	300	9,700	-30%	6,790	136	6,654	**-7.82%**
5 Years	10,000	300	9,700	-40%	5,820	116	5,704	**-10.62%**

Appendix II

Based on a $10,000 investment, this table illustrates the annualised and the total return, assuming units are redeemed at the end of the term, where entry fee and exit fee are not applicable.

Return for Protected Units								
Maturity Period	Investment Amount ($)	Entry Fees (0%) ($)	Units Purchased	Movement of the Index at Maturity Date from Inception	Protected Units total return ($)	Exit fees (0%) ($)	Total return After fees (Gross of tax) ($)	Annualized return after fees (gross of tax)
6 Years	10,000	-	10,000	60%	16,000	-	16,000	**8.04%**
6 Years	10,000	-	10,000	50%	15,000	-	15,000	**6.99%**
6 Years	10,000	-	10,000	40%	14,000	-	14,000	**5.77%**
6 Years	10,000	-	10,000	30%	13,000	-	13,000	**4.47%**
6 Years	10,000	-	10,000	20%	12,000	-	12,000	**3.09%**
6 Years	10,000	-	10,000	10%	11,000	-	11,000	**1.60%**
6 Years	10,000	-	10,000	0%	10,000	-	10,000	**0.00%**
6 Years	10,000	-	10,000	-10%	10,000	-	10,000	**0.00%**
6 Years	10,000	-	10,000	-20%	10,000	-	10,000	**0.00%**
6 Years	10,000	-	10,000	-30%	10,000	-	10,000	**0.00%**
6 Years	10,000	-	10,000	-40%	10,000	-	10,000	**0.00%**
Early Maturity if the Index rises by 60 percent within the first 3 years of the term								
3 years	10000	0	10000	60%	16000	0	16000	**16.96%**

Return for Unprotected Units								
Maturity Period	Investment Amount ($)	Entry Fees (0%) ($)	Units Purchased	Movement of the Index at Maturity Date from Inception	Protected Units total return ($)	Exit fees (0%) ($)	Total return After fees (Gross of tax) ($)	Annualized return after fees (gross of tax)
5 Years	10,000	-	10,000	60%	19,600	-	19,600	**14.41%**
5 Years	10,000	-	10,000	50%	18,000	-	18,000	**12.47%**
5 Years	10,000	-	10,000	40%	16,400	-	16,400	**10.40%**
5 Years	10,000	-	10,000	30%	14,800	-	14,800	**8.16%**
5 Years	10,000	-	10,000	20%	13,200	-	13,200	**5.71%**
5 Years	10,000	-	10,000	10%	11,600	-	11,600	**3.01%**
5 Years	10,000	-	10,000	0%	10,000	-	10,000	**0.00%**
5 Years	10,000	-	10,000	-10%	9,000	-	9,000	**-3.43%**
5 Years	10,000	-	10,000	-20%	8,000	-	8,000	**-7.42%**
5 Years	10,000	-	10,000	-30%	7,000	-	7,000	**-12.26%**
5 Years	10,000	-	10,000	-40%	6,000	-	6,000	**-18.48%**

Appendix III: Background on key personnel

- Laetitia Peterson, Managing Director. Belgium born, Laetitia completed an MBA at the University of Chicago, USA and worked for investment bank Goldman Sachs in both New York and London. She helped structure some of the very first capital protected investments in the early 90s, before making Auckland home. She has worked for Fay Richwhite, PricewaterhouseCoopers and as a director capital markets at Bank of New Zealand, where she developed capital protected deposit products for the bank.
- Janine Stark, Director, Head of Investment Solutions. After a finance degree at Canterbury University, Janine worked in the markets division of ANZ as a dealer. She moved to the UK and headed up the research and product development team at advisory firm, Chase de Vere (awarded Investment IFA of the Year 2002 in Britain). Janine is now based in Christchurch.
- Mike Perry, Head of Structuring and Finance. Mike joined Liontamer in July 2007, returning to NZ from the UK where he specialised in structuring derivative products for Abbey National. He has previously worked for Credit Suisse in the UK and for KPMG in both Wellington and Luxembourg. Mike first completed a Bachelor of Science, majoring in statistics and operations research, before completing a Bachelor of Commerce and Administration at Victoria University in Wellington. Mike is responsibility for product development and structuring in NZ, while also assuming the role of financial controller.
- Sean Butler, Head of Marketing. Sean joined Liontamer in January 2007, with over 10 years' experience in NZ financial markets including investment services, from both the advisory side and from a funds management perspective. His career includes marketing and communications roles with investment advisory firm Money Managers, Brand Manager at Tower Insurance and most recently as Marketing Manager for BT Funds Management (now the investment arm of Westpac), marketing Australian and New Zealand domiciled managed funds.

Appendix IV: Other Liontamer Funds

Trust No.	Fund name	Start date	Maturity date	CURRENT FUNDS Apr-07 HTM Value ($)	Apr-08 HTM Value ($)	Apr-09 HTM Value ($)	Return since inception**	Current Value of NZ$10,000 invested at inception***
1	EASY Series 1	30-Jul-03	30-Jul-10	1.7301	1.6433	1.0000	0.00%	$10,000
2	EASY Series 2	12-Nov-03	12-Nov-11	1.5182	1.4489	1.0000	0.00%	$10,000
3	SUPER Series 1	12-Nov-03	12-Nov-11	1.9109	1.7885	1.0000	0.00%	$10,000
4	EASY Series 3	11-Feb-04	11-Feb-12	1.3830	1.3196	1.0000	0.00%	$10,000
5	SUPER Series 2	11-Feb-04	11-Feb-12	1.6742	1.5622	1.0000	0.00%	$10,000
7	EASY Series 4	21-May-04	21-Nov-09	1.5359	1.4480	0.9500	0.00%	$9,500
13	GLOBAL Series 1 Booster units	23-Nov-05	23-Nov-10	1.3252	1.1367	1.0000	0.00%	$10,000
13	GLOBAL Series 1 Minimum return units	23-Nov-05	23-Nov-10	1.2174	1.1500	1.1500	15.00%	$11,500
14	JAPAN Series 1	22-Dec-05	22-Dec-09	1.1182	1.0000	1.0000	0.00%	$10,000
15	TIGER Series 2 Tracker units	4-May-06	4-May-10	1.0731	1.1651	1.0000	0.00%	$10,000
15	TIGER Series 2 Booster units	4-May-06	4-May-11	1.0877	1.1981	1.0000	0.00%	$10,000
16	GLOBAL Series 2 Super-booster units*	24-Aug-06	24-Aug-11	1.1523	0.9000	0.9000	0.00%	$9,000
16	GLOBAL Series 2 Booster units	4-Sep-06	4-Sep-10	1.1638	1.0000	1.0000	0.00%	$10,000
17	COMBI Series 3 Tracker units	11-Dec-06	11-Apr-12	1.2120	1.4195	1.0000	0.00%	$10,000
17	COMBI Series 3 Booster units*	11-Dec-06	11-Jun-11	1.1756	1.4453	0.9000	0.00%	$9,000
18	BRICK Series 1 Base units	16-May-07	16-May-12	NA	1.1890	1.0000	0.00%	$10,000
18	BRICK Series 1 Booster units*	16-May-07	16-May-12	NA	1.1520	0.9000	0.00%	$9,000
19	GLOBAL Series 3 Super-booster units*	15-Aug-07	15-Feb-12	NA	0.9000	0.9000	0.00%	$9,000
19	GLOBAL Series 3 Booster units	15-Aug-07	15-Feb-13	NA	1.0000	1.0000	0.00%	$10,000
20	COMBI Series 4 Booster units	17-Oct-07	17-Oct-11	NA	1.0191	1.0000	0.00%	$10,000
21	WATER Series 1 Booster units	15-Nov-07	15-Nov-12	NA	1.0041	1.0000	0.00%	$10,000
21	WATER Series 1 Super-booster units*	15-Nov-07	15-Nov-11	NA	0.9051	0.9000	0.00%	$9,000
22	TIGER Series 3 Booster units	11-Oct-07	11-Jan-13	NA	1.0000	1.0000	0.00%	$10,000
23	GLOBAL Series 4 Giga-booster units	9-Jan-08	9-Jan-13	NA	1.0000	1.0000	0.00%	$10,000
24	GLOBAL Series 5 Booster units	9-May-08	9-May-13	NA	NA	1.0000	0.00%	$10,000
24	GLOBAL Series 5 Super-booster units*	9-May-08	9-May-13	NA	NA	0.9000	0.00%	$9,000
25	EMERGE Series 1 Base units	9-May-08	9-Nov-13	NA	NA	1.0000	0.00%	$10,000
25	EMERGE Series 1 Booster units	9-May-08	9-Nov-13	NA	NA	0.9000	0.00%	$9,000
26	FALLEN ANGELS Series 1 Tracker units	25-Jul-08	25-Jan-14	NA	NA	1.2468	24.68%	$12,468
26	FALLEN ANGELS Series 1 Booster units	25-Jul-08	25-Jan-14	NA	NA	1.2209	32.09%	$12,209
27	COMBI Series 5 Booster units	25-Jul-08	25-Jan-14	NA	NA	1.0000	0.00%	$10,000
28	KNOCKOUT Series 1 Jumper units	3-Oct-08	3-Oct-13	NA	NA	1.0000	0.00%	$10,000
29	GLOBAL Series 6 Tracker units	14-Nov-08	14-Nov-14	NA	NA	1.2512	25.12%	$12,512
30	ALTERNATIVE ENERGY Series 1 Base units	14-Nov-08	14-May-14	NA	NA	1.1233	12.33%	$11,233
30	ALTERNATIVE ENERGY Series 1 Booster units	14-Nov-08	14-May-14	NA	NA	1.0507	15.07%	$10,507

* 90% capital protection at maturity

** Return since inception figures show the gain attributed to the exposure in the underlying index. 100% capital protected funds start from $1.00, 90% capital protected funds start from $0.90.

*** Using current HTM value per unit and assumes investment held to maturity.