

2009 TAX NOTICE

Last year the introduction of a Fair Dividend Rate (FDR) tax regime on overseas investments caused a large degree of uncertainty and confusion for many investors when it came time to prepare their annual tax returns. Now that another financial year has passed we thought that this was a timely opportunity to remind you about the new tax rules and provide some additional information about valuing your investment in Liontamer funds. However, for taxation advice relevant to your personal circumstances, we always recommend that you talk to your tax adviser.

Due to the change in the Foreign Investment Fund ("FIF") rules that came into effect from 1 April 2007, if you hold Liontamer investments that you purchased *before* 1 April 2008, you may need to establish the market value of each such investment as at 1 April 2008 in order to calculate your tax liability for the 2008/09 income year.

Based on advice from our tax advisers, Bell Gully, it is reasonable to treat the market value of Liontamer units as a maximum of \$1.00, until maturity.

Due to transfer restrictions imposed on your units before maturity (described in the relevant offer documents) this is the maximum amount you could receive for your units prior to maturity, unless there are exceptional circumstances.

You will find a table of values and annual distribution amounts for each fund as at 1 April 2008 and 1 April 2009 included with this notice. This table was prepared adopting the view that the value of the units cannot exceed \$1.00 before maturity.

Brief recap of taxation rules

Each Liontamer fund is an Australian unit trust which should be treated as a "foreign company" for New Zealand tax purposes, so the FIF rules may apply to your units in Liontamer funds.

The FIF rules will not apply to you if:

- the total cost of all your foreign investments is \$50,000 or less; and
- you are investing in your own capacity (i.e. not through a trust or company).

If the FIF rules do apply to your foreign investments you need to use an authorised calculation method to determine the taxable income from your units, such as the Fair Dividend Rate method, Comparative Value (CV) method (for individuals or trustees) or the Cost Method.

As examples:

- under the FDR method you would have taxable income each year of a total of 5% of the total market value of your foreign investments that are subject to the FIF rules at 1 April each year; or
- under the CV method, taxable income is the net gain in the market value of your investments over the year plus distributions received and net sale proceeds.

Individuals or trustees that choose to apply the CV method must do so on a portfolio basis for all investments subject to the FIF rules.

If you need further tax information about, for example, calculating the \$50,000 threshold or using an authorised calculation method and the rules around, and consequences of, using each method, refer to the offer documents for the investment you hold (available on our website www.liontamer.com) and consult your tax adviser.

Please note:

This summary does not apply to unitholders who hold 10% or more of the units issued in a particular fund or to unitholders who are not treated as being resident in New Zealand for tax purposes. Such unitholders are advised to obtain independent advice as to how their investment in the relevant fund will be taxed taking into account their specific circumstances.

The information in this update is general and is not intended as specific taxation advice. All investors should seek independent tax advice in relation to their own individual circumstances.

The Inland Revenue Department (IRD) has issued a determination on 22 January 2008 which allows investors in units of Liontamer trusts which meet certain criteria contained in the determination to adopt the FDR method. We believe that all existing Liontamer trusts satisfy these criteria, with the exception of GLOBAL Series 1 trust.

Determination does not apply to investments in GLOBAL Series 1 – Minimum Return Units:

The determination does not apply to investments in GLOBAL Series 1 minimum return units (MRUs). Investors in MRUs will be required to apply the CV method to investments in the MRUs from the beginning of the 2009 income year (generally 1 April 2008). The application of the CV method to your investment in MRUs will not prevent you from applying the FDR method to determine the taxable income from any other investments.

TABLE OF LIONTAMER FUND VALUES

Trust No.	Fund Name	Start Date	1/04/08 Market Value (\$/unit)	1/04/09 Market Value (\$/unit)	Annual Return (\$/unit)
1	EASY Series 1	30/07/2003	\$1.00	\$1.00	\$0.01
2	EASY Series 2	12/11/2003	\$1.00	\$1.00	\$0.01
3	SUPER Series 1	12/11/2003	\$1.00	\$1.00	\$0.01
4	EASY Series 3	11/02/2004	\$1.00	\$1.00	\$0.01
5	SUPER Series 2	11/02/2004	\$1.00	\$1.00	\$0.01
7	EASY Series 4	21/05/2004	\$1.00	\$1.00	\$0.01
8	MONEY Series 1	16/07/2004	\$1.00	\$1.00	\$0.0005
9	MONEY Series 2 Accumulation Units	26/11/2004	\$1.00	\$1.00	\$0.0005
9	MONEY Series 2 Income Units	26/11/2004	\$1.00	\$1.00	\$0.0005
11	MONEY Series 3 Accumulation Units	6/05/2005	\$1.00	\$1.00	\$0.0005
11	MONEY Series 3 Income Units	6/05/2005	\$1.00	\$1.00	\$0.0005
13	GLOBAL Series 1 Minimum Return Units [#]	23/11/2005	\$1.00	\$1.00	\$0.0005
13	GLOBAL Series 1 Booster Units	23/11/2005	\$1.00	\$1.00	\$0.0005
14	JAPAN Series 1	22/12/2005	\$1.00	\$1.00	\$0.0005
15	TIGER Series 2 Tracker Units	4/05/2006	\$1.00	\$1.00	\$0.0005
15	TIGER Series 2 Booster Units	4/05/2006	\$1.00	\$1.00	\$0.0005
16	GLOBAL Series 2 Super Booster Units	24/08/2006	\$1.00	\$1.00	\$0.0005
16	GLOBAL Series 2 Booster Units	4/09/2006	\$1.00	\$1.00	\$0.0005
17	COMBI Series 3 Tracker Units	11/12/2006	\$1.00	\$1.00	\$0.0005
17	COMBI Series 3 Booster Units	11/12/2006	\$1.00	\$1.00	\$0.0005
18	BRICK Series 1 Base Units	16/05/2007	\$1.00	\$1.00	\$0.0005
18	BRICK Series 1 Booster Units	16/05/2007	\$1.00	\$1.00	\$0.0005
19	GLOBAL Series 3 Booster Units	15/08/2007	\$1.00	\$1.00	\$0.0005
19	GLOBAL Series 3 Super Booster Units	15/08/2007	\$1.00	\$1.00	\$0.0005

Trust No.	Fund Name	Start Date	1/04/08 Market Value (\$/unit)	1/04/09 Market Value (\$/unit)	Annual Return (\$/unit)
20	COMBI Series 4 Booster Units	11/10/2007	\$1.00	\$1.00	\$0.0005
21	WATER Series 1 Booster Units	15/11/2007	\$1.00	\$1.00	\$0.0005
21	WATER Series 1 Super Booster Units	15/11/2007	\$1.00	\$1.00	\$0.0005
22	TIGER Series 3 Booster Units	17/10/2007	\$1.00	\$1.00	\$0.0005
23	GLOBAL Series 4 Giga Booster Units	9/01/2008	\$1.00	\$1.00	n/a

Trust 24 – 30

These funds were launched after 1 April 2008 and therefore do not need to be included in calculations for the 2008/09 tax year.

24	GLOBAL Series 5 Booster Units	9/05/2008	\$1.00	n/a	n/a
24	GLOBAL Series 5 Super Booster Units	9/05/2008	\$1.00	n/a	n/a
25	EMERGE Series 1 Base Units	9/05/2008	\$1.00	n/a	n/a
25	EMERGE Series 1 Booster Units	9/05/2008	\$1.00	n/a	n/a
26	FALLEN ANGELS Series 1 Tracker Units	25/07/2008	\$1.00	n/a	n/a
26	FALLEN ANGELS Series 1 Booster Units	25/07/2008	\$1.00	n/a	n/a
27	COMBI Series 5 Booster Units	25/07/2008	\$1.00	n/a	n/a
28	KNOCKOUT Series 1 Jumper Units	1/10/2008	\$1.00	n/a	n/a
29	GLOBAL Series 6 Tracker Units	14/11/2008	\$1.00	n/a	n/a
30	ALTERNATIVE ENERGY Series 1 Base Units	14/11/2008	\$1.00	n/a	n/a
30	ALTERNATIVE ENERGY Series 1 Booster Units	14/11/2008	\$1.00	n/a	n/a

GLOBAL Series 1 – Minimum Return Units: please note that the Fair Dividend Rate (FDR) method of assessing tax is not applicable to these units. Investors will need to use the Comparative Value (CV) method. Under this method taxable income is the net gain in the market value over the year plus distributions received and net sale proceeds. Using CV will not prevent you from applying the FDR method to determine the taxable income from any other investments.

