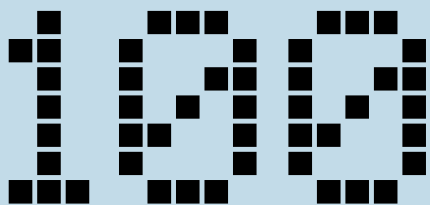
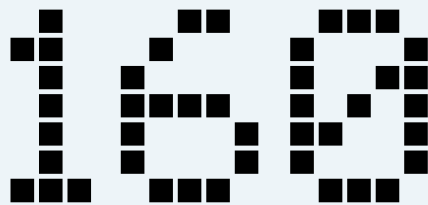


australiaseries1



PROTECTED UNITS

australiaseries1



UNPROTECTED UNITS

AUSTRALIAN SHAREMARKET FUND

AUSTRALIA Series 1 Trust **32**

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

CHOOSING AN INVESTMENT

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

- +** **What sort of investment is this?** page 5
- +** **Who is involved in providing it for me?** page 6
- +** **How much do I pay?** page 6
- +** **What are the charges?** page 7
- +** **What returns will I get?** page 8
- +** **What are my risks?** page 12
- +** **Can the investment be altered?** Page 13
- +** **How do I cash in my investment?** page 14
- +** **Who do I contact with enquiries about my investment?** page 16
- +** **Is there anyone to whom I can complain if I have problems with the investment?** page 16
- +** **What other information can I obtain about this investment?** page 16

In addition to the information in this document, important information can be found in the current registered Prospectus for the investment. You are entitled to a copy of that Prospectus on request.

ENGAGING AN INVESTMENT ADVISER

An investment adviser must give you a written statement that contains information about the adviser and his or her ability to give advice. You are strongly encouraged to read that document and consider the information in it when deciding whether or not to engage an adviser.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes, and carry different levels of risk.

The written statement should contain important information about the adviser, including:

- relevant experience and qualifications, and whether dispute resolution facilities are available to you;
- what types of investments the adviser gives advice about;
- whether the advice is limited to investments offered by one or more particular financial institutions;
- information that may be relevant to the adviser's character, including certain criminal convictions, bankruptcy, any adverse findings by a court against the adviser in a professional capacity, and whether the adviser has been expelled from, or prohibited from joining, a professional body; and
- any relationships likely to give rise to a conflict of interest.

The adviser must also tell you about fees and remuneration before giving you advice about an investment. The information about fees and remuneration must include:

- the nature and level of the fees you will be charged for receiving the advice; and
- whether the adviser will or may receive a commission or other benefit from advising you.

An investment adviser commits an offence if he or she does not provide you with the information required.

Certain words and expressions used in this Investment Statement (denoted by initial capital letters) have defined meanings. A glossary of these terms is included on page 4 of this Investment Statement.

Investments in AUSTRALIA Series 1 Trust 32 are available to New Zealand resident investors.

The Trust is not endorsed or promoted in any way by the Fund Asset Provider. The Fund Asset Provider has not independently verified the information contained in this Investment Statement and therefore provides no representation, warranty or undertaking, express or implied, in respect of the Trust or the relevant Assets of the Fund and no responsibility or liability is accepted by the Fund Asset Provider in connection with the Trust, the Offers constituted by this Investment Statement or any information in this Investment Statement.

The Statutory Supervisor, New Zealand Permanent Trustees Limited, is not the promoter of the Trust nor does it guarantee the payment of income or the repayment of capital from the Trust. The Statutory Supervisor has relied upon Lontamer Investment Management Pty Limited for the accuracy and truth of the contents of this Investment Statement and therefore it makes no representation as to the accuracy or truth of the contents of this Investment Statement other than those which refer directly to the Statutory Supervisor or the provisions of the Deed of Participation.

No purchaser, seller or holder of Units in the Trust, nor any other person or entity, should use or refer to any trade name, trademark or service mark of the Fund Asset Provider to sponsor, endorse, market or promote the Trust without first contacting the Fund Asset Provider to determine whether the Fund Asset Provider's permission is required. Under no circumstances may any person or entity claim any affiliation with the Fund Asset Provider without the prior written permission of the Fund Asset Provider.

Potential investors should note that no person is authorised by Lontamer or any other entity to make any representation to investors other than those set out in this Investment Statement and the Prospectus relating to these Offers.

The securities referred to herein are not sponsored, endorsed, or promoted by the Fund Asset Provider, and the Fund Asset Provider bears no liability with respect to any such securities or any index on which such securities are based. The Prospectus contains a more detailed description of the limited relationship the Fund Asset Provider has with Lontamer Investment Management Pty Limited and any related securities. Neither the Fund Asset Provider nor the Statutory Supervisor guarantees repayment of the Units or any returns on the Units nor do any of these parties accept any other liability to Unitholders.

It is recommended that you obtain and read a copy of the Prospectus for these Offers before subscribing for Units; see "What other information can I obtain about this investment?" on page 16.



Quick guide: AUSTRALIA Series 1

Protected Units



Unit class	AUSTRALIA Series 1 Trust 32 – Protected Units
Term	Six years
Index Linked Return	100% of any positive Movement in the Index (i.e. 1.0 x the rise in the Index).
Index	Liontamer Australia Index. This is made up of the largest 200 companies by market capitalisation in the Australian sharemarket.
Capital protection	100% capital protected at maturity.
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 relevant Investment Period, Liontamer will seek to arrange the termination of those Assets of the Fund and, if so, your Protected Units will be repaid.
Liquidity and early exits	Quarterly exits are available, but you should bear in mind that you may get back significantly less than you invested and you will incur an Exit Fee of 2%. This is intended as a hold-to-maturity investment. Capital protection plus the Index Linked Return only apply at maturity. Early exits are only possible at a maximum value of \$1.00 (less the exit fee), unless exceptional circumstances exist; for example death or financial hardship. In exceptional circumstances, if the Assets of the Fund equate to a Unit value above \$1.00, this higher amount, less the exit fee, can be paid.
Entry Fee	3% of the amount you pay for the investment (subject to any rebate as described on page 7 of this Investment Statement). This is a cost paid by you.
Annual management fee	0%
Minimum investment	\$5,000
Currency	New Zealand dollars. Your investment has no exposure to currency fluctuations between the New Zealand dollar and the Australian dollar.
Exit fee	2% prior to maturity and for all repurchases at or after maturity.
Offer period	Closing Date: 7 August 2009 The Offer may close early or may be extended beyond the Closing Date. Your financial adviser will have full details.
Important: this is just a brief summary of the key facts, please ensure you read the remainder of this Investment Statement in full before investing.	

Example returns

Protected Units offer investors 100% of any positive Movement in the Index at maturity (or 1.0 times the rise). If the Index falls in value, the Units are fully capital protected. The examples below show the value of a \$1.00 Protected Unit in situations where the Index rises, stays the same, or falls in value (this does not take into account the Exit Fee (if applicable)).

	Movement in the Index (expressed as a percentage)	Calculation of the Index Linked Return	Unit Price
The Index increases in value	+50%	$50\% \times 1.0 = 50\%$	$\$1.00 + 50\% \text{ gain} = \1.50
The Index is unchanged	0%	$0\% \times 1.0 = 0\%$	$\$1.00 + \text{no gain} = \1.00
The Index declines in value	-25%	No loss as full capital protection	$\$1.00 + \text{no gain} = \1.00

Quick guide: AUSTRALIA Series 1

Unprotected Units



Unit class	AUSTRALIA Series 1 Trust 32 – Unprotected Units
Term	Five years
Index Linked Return	160% of any positive Movement in the Index (i.e. 1.6 x the rise in the Index); and 100% of any negative Movement in the Index (i.e. 1.0 x the fall in the Index).
Index	Liontamer Australia Index. This is made up of the largest 200 companies by market capitalisation in the Australian sharemarket.
Capital protection	None. In the event that the Movement in the Index is negative at maturity, your capital will be reduced on a 1 for 1 basis with the fall in the Index. Your capital is fully at risk.
Early maturity feature	None
Liquidity and early exits	Quarterly exits are available, but you should bear in mind that you may get back significantly less than you invested and you will incur an Exit Fee of 2%. This is intended as a hold-to-maturity investment and the formula of returns only applies at maturity. There are no restrictions on the value of the unit price prior to maturity. The price will reflect the value of the Assets of the Fund at the time of exit.
Entry Fee	3% of the amount you pay for the investment (subject to any rebate as described on page 7 of this Investment Statement). This is a cost paid by you.
Annual management fee	0%
Minimum investment	\$5,000
Currency	New Zealand dollars. Your investment has no exposure to currency fluctuations between the New Zealand dollar and the Australian dollar.
Exit fee	2% prior to maturity and for all repurchases at or after maturity.
Offer period	Closing Date: 7 August 2009 The Offer may close early or may be extended beyond the Closing Date. Your financial adviser will have full details.
Important: this is just a brief summary of the key facts, please ensure you read the remainder of this Investment Statement in full before investing.	

Example returns

Unprotected Units offer investors 160% of any positive Movement 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 examples below show the value of a \$1.00 Unprotected Unit in situations where the Index rises, stays the same, or falls in value (this does not take into account the Exit Fee (if applicable)).

	Movement in the Index (expressed as a percentage)	Calculation of the Index Linked Return	Unit Price
The Index increases in value	+50%	$50\% \times 1.6 = 80\%$	$\$1.00 + 80\% \text{ gain} = \1.80
The Index is unchanged	0%	$0\% \times 1.6 = 0\%$	$\$1.00 + \text{no gain} = \1.00
The Index declines in value	-25%	$-25\% \times 1.0 = -25\%$	$\$1.00 - 25\% \text{ loss} = \0.75



GLOSSARY

Application Amount means the amount a subscriber pays for Units in the Trust from which the Entry Fee is deducted.

Assets of the Fund means, in relation to each Portfolio in the Trust, the relevant financial instruments sold by the Fund Asset Provider to provide exposure to the Index, having the terms described on pages 8 – 10.

ASX means the Australian Securities Exchange.

Barclays Bank means Barclays Bank PLC.

Business Day means any day on which trading banks in Auckland and Wellington are open for business.

Closing Date means the date on which the Offer for each class of Units in the Trust closes as selected by Liontamer (which may be a different date for each class of Units) which is expected to be 7 August 2009.

Confirmation means, in relation to each Portfolio in the Trust, each confirmation outlining the terms of the Assets of the Fund to be purchased by the Trust from the Fund Asset Provider using the aggregate Investment Amounts for each class of Units in the Trust.

Deed of Participation means the master deed of participation dated 14 May 2003 entered into by Liontamer and the Statutory Supervisor as supplemented by the Supplemental Deed.

Early Bird Interest means the interest earned at a competitive market rate on the Application Amount from the date the Application Amount is received in cleared funds until two Business Days before the Issue Date, after deduction of any withholding tax.

Entry Fee means, if applicable, 3% of the Application Amount.

Exit Fee means the fee (2% of the value of the Units to be repaid) charged by Liontamer on certain early repayments of Units and on all purchases by Liontamer of Units at or after maturity.

Final Index Level is the level of the Index at maturity, after taking into account averaging in the final months (as detailed for each unit class on page 8 in the section headed "Index Linked Return").

Fund Asset Provider means Barclays Bank.

Index means the "Liontamer Australia Index" as described under "The Index" on page 8.

Index Linked Return means, in relation to each class of Units, the return payable on the relevant Maturity Date (except, in relation to the Protected Units, if the Pre-Set Growth Target is met prior to that date) calculated in the manner specified on pages 8 – 10.

Initial Index Level is the starting level of the Index, after taking into account averaging in the opening months (as detailed for each unit class on page 8 in the section headed "Index Linked Return").

Investment Amount means, in relation to a class of Units in the Trust, the balance of the Application Amount, after deduction of the Entry Fee (plus the amount of any rebate of the Entry Fee), together with any Early Bird Interest, which is used to purchase the relevant class of Units.

Investment Period means, in respect of the Protected Units, the period of six years beginning on the Issue Date and, in respect of the Unprotected Units, the period of five years beginning on the Issue Date, except:

- (a) as reduced as described under "Early Repayment Process" and "Early Termination of the Assets of the Fund" on pages 14 and 15; or
- (b) as extended as described under "Extension of Investment Period at maturity" on page 15.

Investment Statement means this investment statement in relation to the Offers of Units in the Trust.

Issue Date means the date on which the Units are issued, that is, 21 August 2009 or such other date as Liontamer selects.

Liontamer or Manager means Liontamer Investment Management Pty Limited.

Maturity Date means the last day of the relevant Investment Period.

Movement in the Index means the movement in the value of the Index over the relevant Investment Period as described on page 8.

Offer means each offer by Liontamer to investors of Units.

Participation Rate means:

- (a) in relation to the Protected Units, the degree to which those Units will participate in any positive Movement in the Index, being 100% (i.e. 1.0 times the rise in the Index); and
- (b) in relation to the Unprotected Units, the degree to which those Units will participate in any positive or negative Movement in the Index, being 160% participation in any positive movement and 100% participation in any negative movement (i.e. 1.6 x the rise in the Index and 1.0 x the fall in the Index).

Portfolio means the part of the Trust fund in respect of which a class of Units is issued.

Pre-Set Growth Target means, in respect of the Protected Units, an amount equal to 160% of the principal amount of the corresponding Assets of the Fund (being the amount originally invested in the Assets of the Fund); there is no Pre-Set Growth Target for the Unprotected Units.

Prospectus means the prospectus in relation to the Offers of Units in the Trust.

Protected Units means the Units in the Trust which are capital protected and have the Index Linked Return as described on page 8.

Repayment means redemption or repurchase of Units and references to repay or repaid have corresponding meanings.

Statutory Supervisor means New Zealand Permanent Trustees Limited.

Strike Date means, in respect of each class of Units in the Trust, 19 August 2009 (or such other date as Liontamer selects).

Supplemental Deed means, in relation to the Trust, the deed dated 20 May 2009 supplemental to the Trust Deed and Deed of Participation, entered into by Liontamer and the Statutory Supervisor.

Trust means the AUSTRALIA Series 1 Trust 32 established pursuant to the Trust Deed as supplemented by the relevant Supplemental Deed.

Trust Deed means the Master Trust Deed Poll dated 14 May 2003 entered into by Liontamer as supplemented by the Supplemental Deeds.

Unitholder means each holder of Units in the Trust.

Units means the Protected Units and the Unprotected Units.

Unprotected Units means the Units in the Trust which are not capital protected and have the Index Linked Return as described on page 8.

\$ means New Zealand dollars.

WHAT SORT OF INVESTMENT IS THIS?

This Investment Statement offers New Zealand dollar denominated Units in an Australian unit trust called AUSTRALIA Series 1 Trust 32. The terms attaching to the Units in the Trust are described in more detail under "What returns will I get?" on pages 8 – 10.

The Trust is:

- a closed end fund (no applications for Units will be accepted after the Offers are closed, except at the discretion of Liontamer);
- an Australian unit trust established for New Zealand residents; and
- not listed on any securities exchange.

Your investment in Protected Units is capital protected in the circumstances and to the extent described below under "Capital protection". There is no capital protection in relation to your investment in Unprotected Units.

Fund Asset Provider

The manager of the Trust, Liontamer Investment Management Pty Limited (**Liontamer**), intends to invest the relevant aggregate Investment Amounts for the Trust in financial instruments (**Assets of the Fund**) sold by Barclays Bank. The Trust will make an initial payment to the Fund Asset Provider of the aggregate Investment Amounts for each class of Units in the Trust and will receive a payment in respect of that class of Units from the Fund Asset Provider on or about the relevant Maturity Date.

For the avoidance of doubt, an investment in Units is not a direct investment by a Unitholder in the Assets of the Fund.

Barclays Bank PLC is the subsidiary of Barclays Group, a UK-based financial services group engaged primarily in global retail and commercial banking, investment banking and investment management. In terms of assets employed, Barclays Group is one of the largest financial services groups in the United Kingdom. Barclays Group also operates in many other countries around the world and is a leading provider of co-ordinated global services to multi-national corporations and financial institutions in the world's main financial centres. Barclays has been involved in banking for over 300 years and operates in over 50 countries.

You can find out more about Barclays Bank on www.barclays.com.

In light of the current financial crisis and its effect on the banking system, banks around the world have had to deal with large credit write-downs due to their exposure to what has become known as 'toxic assets', stemming from the credit crunch. Many banks, including Barclays Bank, have had to recapitalise their balance sheets by raising new capital, selling assets as well as looking at significantly reducing costs. Banks have dealt with the recapitalisation process in various ways. For example, Barclays has chosen not to accept any support from the British Government, instead preferring to remain independent and taking funding from investors in the Middle East.

The information above was sourced by Liontamer from Reuters research in May 2009.

The Fund Asset Provider is legally liable to pay to Liontamer as trustee of the Trust an amount equivalent to:

- in relation to the Protected Units, the relevant Investment Amount of the Protected Units plus the Index Linked Return (if any); and
- in relation to the Unprotected Units, the relevant Investment Amount of the Unprotected Units plus or minus the Index Linked Return (depending on whether the return is positive or negative).

Therefore, Unitholders are subject to the credit risk of the Fund Asset Provider. The Fund Asset Provider has a Standard & Poor's credit rating of AA- as at the date of this Investment Statement. Although the Fund Asset Provider has legal liability to make the repayments described above, it does not guarantee repayment of the Units or any returns on the Units and nor does it accept any other liability to Unitholders.

Standard & Poor's credit ratings range from AAA to D. A rating of AA- differs from the highest rating (AAA) only to a small degree. The AA- rating means that the obligor's capacity to meet its financial commitments is very strong. Further details about Standard & Poor's credit ratings can be found on the website www.standardandpoors.com.

See "What are my risks?" on pages 12 and 13 for more detailed information about the principal risks relating to the Units.

Capital protection – applicable only to Protected Units

"Capital protection" means that on maturity, and in the normal course of events, holders of Protected Units will receive back all of their Investment Amount.

Their original capital is designed to be protected from erosion because Liontamer invests in the Assets of the Fund, which are designed to return at maturity, in the case of Assets of the Fund purchased with the proceeds of the Protected Units, the full original capital amount.

Capital protection does not apply to Unprotected Units.

Where Protected Units are repaid early (except on a Repayment following the Pre-Set Growth Target being met), Unitholders may receive significantly less than their Investment Amount due to establishment costs, the Exit Fee, changes in market conditions and other risks including those identified in "What are my risks?" on pages 8 – 10. This is because no capital protection applies to these early Repayments of Protected Units.

Returns at a glance

Subject to the conditions and risks set out in this Investment Statement, Unitholders will receive the following returns:

Protected Units

- 100% of the Investment Amount on the relevant Maturity Date; and
- 100% of any positive Movement in the Index on the relevant Maturity Date; or
- \$1.60 per unit if the Pre-Set Growth Target is met within the first three years of the Investment Period and the corresponding Assets of the Fund are terminated.



Unprotected Units

- 100% of the Investment Amount on the relevant Maturity Date;
- plus 160% of any positive Movement in the Index on the relevant Maturity Date; or
- minus 100% of any negative Movement in the Index on the relevant Maturity Date.

In relation to the Unprotected Units, this means that you are placing your Investment Amount at risk and will suffer losses if there has been a fall in the Index at the Maturity Date.

The returns on each class of Units in the Trust will mirror the returns on the corresponding Assets of the Fund. These returns and the returns on an early Repayment are more fully described under "What returns will I get?" on pages 8 – 10.

WHO IS INVOLVED IN PROVIDING IT FOR ME?

The name of the Trust is AUSTRALIA Series 1 Trust 32.

The manager and trustee is Liontamer Investment Management Pty Limited ABN 23 104 174 325:

c/- Pitcher Partners
Level 22, MLC Centre
19 Martin Place
Sydney
NSW 2000
Australia

Liontamer can be contacted in New Zealand, c/- Liontamer Investment Services Limited (the entity that provides services to the Trust and to Liontamer in New Zealand), at the offices of Lock & Partners Limited:

Level 1
171 Hobson Street
Auckland
New Zealand

The Statutory Supervisor is New Zealand Permanent Trustees Limited:

Level 10
141 Willis Street
Wellington
New Zealand

Liontamer has entered into a Deed of Participation with New Zealand Permanent Trustees Limited (the **Statutory Supervisor**) dated 14 May 2003 (**Deed of Participation**) and a Supplemental Deed in respect of the Trust dated 20 May 2009.

The Statutory Supervisor:

- shall exercise reasonable diligence to ascertain whether or not any breach of the Deed of Participation, and the Offers of the Units, has occurred;
- is not the promoter of the Trust nor does it guarantee the payment of income or the repayment of capital from the Trust; and
- has relied upon Liontamer for the accuracy and truth of the contents of this Investment Statement and therefore it makes no representation as to the accuracy or truth of the contents of this Investment Statement other than those which refer directly to the Statutory Supervisor or the provisions of the Deed of Participation.

As at the date of this Investment Statement, the Trust has not commenced business.

Liontamer's only activity to date is to act as trustee and manager of unit trusts established under a Master Trust Deed Poll dated 14 May 2003 and the Master Deed of Participation described above. The first unit trust was established on 14 May 2003.

HOW MUCH DO I PAY?

The minimum investment amount for any single or joint investor is \$5,000 for each class of Units in the Trust, and thereafter investors may invest in multiples of \$1,000. Liontamer may, at its discretion, accept amounts that are less than this amount.

If you wish to make an investment, you should complete the Application Form at the end of this Investment Statement, enclose a cheque for the Application Amount made payable to "Link Market Services Limited" and post to:

**Link Market Services Limited
PO Box 91976
Victoria Street West
Auckland 1142**

All Units are issued at \$1.00 per Unit. You will receive the number of Units which equals your Investment Amount (this is your Application Amount after deduction of your Entry Fee and together with the addition of any Early Bird Interest) divided by \$1.00.

Liontamer:

- will not accept your application unless payment in full is received in cleared funds by 4:00pm on the date the Offers close;
- intends to close the Offers on 7 August 2009 but it reserves the right to extend the period of the Offers or to close the Offers early (the Closing Date);
- may, in its discretion, reopen an Offer in the period between the Closing Date and the scheduled Issue Date (provided Liontamer considers that it will not be prejudicial to existing subscribers) in which case the Issue Date for the relevant Units may be extended;
- reserves the right to alter the Issue Date; and
- reserves the right to refuse any application, or to accept an application in part only, without assigning a reason.

Late payment will not be accepted and will be returned to you immediately without Early Bird Interest.

There is no minimum subscription amount for either Portfolio in the Trust.

If you withdraw your application prior to the Strike Date (which you are entitled to do unless otherwise advised to you), your Application Amount will be refunded in full but without Early Bird Interest, which will be distributed across all other investors.

WHAT ARE THE CHARGES?

Entry Fee

Except for Exit Fees payable in certain circumstances described below, the only fee or charge payable by you (provided you hold your investment to maturity) is an Entry Fee of 3% of your relevant Investment Amount in the Trust (subject to any applicable rebate). The Entry Fee:

- will be deducted from your Application Amount by Liontamer;
- will be paid in full to financial advisers on applications bearing their stamp;
- can be rebated in full or part at the discretion of the financial adviser. If the Entry Fee is rebated, the Entry Fee (in the case of a full rebate) or the relevant portion of the Entry Fee (in the case of a partial rebate) will be added to your Investment Amount and invested in the Trust on your behalf; and
- will be retained by Liontamer for its benefit in its capacity as manager of the Trust in respect of those applications not bearing the stamp of an investment adviser.

Exit Fee

Liontamer will charge a fee to Unitholders equal to 2% of the value of Units (the **Exit Fee**) for all repurchases at or after maturity and for certain early Repayments as follows:

- where Protected Units are repaid as a result of the Pre-Set Growth Target being met, or as a result of the early termination of Assets of the Fund, the Exit Fee will be charged on all repurchases of corresponding Units by Liontamer. If Units are redeemed from the Trust, there will be no Exit Fee; and
- where Units are repaid at the request of a Unitholder, the Exit Fee will be charged on all repurchases of the corresponding Units by Liontamer and all redemptions of the corresponding Units.

Liontamer receives the Exit Fee in its capacity as manager of the Trust and retains any balance after payment of administrative costs for its benefit.

The details of requesting an early Repayment are set out under "How do I cash in my investment?" on pages 14 – 16.

Liontamer's fee

Other than the Entry Fee of 3% charged to you and any Exit Fees and fees payable to Liontamer for administering the unwinding of the Trust (see below under "Other Fees"), there are **no management fees** paid to Liontamer from the Trust. In consideration of Liontamer procuring the initial purchase of the Assets of the Fund for the Trust, the Fund Asset Provider or an entity related to the Fund Asset Provider will pay Liontamer an introduction fee that is a percentage of the value of the Assets of the Fund sold to the Trust. This fee is paid to Liontamer as manager of the Trust.

It will be used to fund all expenses incurred in the set-up and ongoing management of the Trust including:

- brokerage paid to financial advisers (as set out below);
- advisory support expenses;
- issue expenses;
- Statutory Supervisor's fees;
- accounting, audit, registry and payment agent fees; and
- the costs incurred from holding any meetings in relation to the Trust.

The balance will be retained by Liontamer for its benefit.

Brokerage

Brokerage of 2% of the Application Amount in relation to Protected Units, and 1.5% of the Application Amount in relation to Unprotected Units, after deduction of the Entry Fee referred to above, will be paid to financial advisers at the beginning of the relevant Investment Period unless otherwise agreed between Liontamer and the adviser. This is not a cost to Unitholders and is paid from the introduction fee paid to Liontamer, as described above.

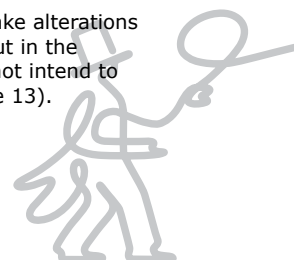
Other fees

If you withdraw your application prior to the Strike Date (which you are entitled to do unless otherwise advised to you), your Application Amount will be refunded in full but without Early Bird Interest, which will be distributed across all other investors.

Liontamer will charge a fee for administering the unwinding of a Portfolio in the Trust. That fee will be based on the time and other costs incurred by Liontamer and will be paid from, and will not exceed, any interest earned from maturity until the Trust is unwound.

Any interest earned in the period between the relevant Maturity Date and the date returns are paid to Unitholders, following deduction of the administration fee described above, will be distributed to Unitholders.

Under the terms of the Trust Deed, Liontamer is entitled to charge certain other fees and has the right to make alterations to the Entry Fee, administration fees and Exit Fee payable by a Unitholder (within the maximum levels set out in the Trust Deed) but it has undertaken not to charge any such other fees or alter existing fees. Liontamer does not intend to introduce any new charges during the term of the investment (see "Can the investment be altered?" on page 13).



WHAT RETURNS WILL I GET?

1. Early Bird Interest

Application Amounts received during the period of the Offers will be deposited on your behalf with a bank or other financial institution selected by New Zealand Permanent Trustees Limited and will earn Early Bird Interest until two Business Days before the Issue Date. Early Bird Interest will be calculated on a daily basis from the date on which the Application Amount is received in cleared funds to two Business Days before the Issue Date. Any Early Bird Interest earned by you during the period of the Offers after deduction of any withholding tax will be applied towards purchasing additional Units in the Trust. Any surplus after rounding will be donated to the humanitarian organisation, World Vision.

2. Index Linked Return

On the relevant Maturity Date, unless the Units have been repaid early, you will be entitled, subject to the conditions and risks set out in this Investment Statement, to an Index Linked Return equal to the Participation Rate multiplied by the Movement in the Index multiplied by \$1.00. The Index Linked Return for the Protected Units cannot be less than zero. However, the Index Linked Return for the Unprotected Units can be less than zero and, if it is, this will reduce your original Investment Amount.

The Participation Rate is as follows:

- **Protected Units:** 100% of any positive Movement in the Index (i.e., 1.0 times any rise in the Index); and
- **Unprotected Units:** 160% of any positive Movement in the Index (i.e., 1.6 times any rise in the Index), and 100% of any negative Movement in the Index (i.e., 1.0 times any fall in the Index).

The Index Linked Return is unlimited (unless the Pre-Set Growth Target for Protected Units is met, as described under "Early maturity feature – applies to Protected Units only" below), which means that there is no maximum return. The Index Linked Return is not exposed to currency fluctuations between the New Zealand dollar and the Australian dollar.

Based on a \$10,000 investment, this table illustrates what you will receive at the end of the relevant Investment Period, if your investment is held through to the relevant Maturity Date, and the Movement in the Index (expressed as a percentage) is as below (this does not take account the Exit Fees (if applicable), and is subject to the conditions and risks set out in this Investment Statement).

Returns			
Investment Amount	Movement of the Index (expressed as a percentage)	Protected Units	Unprotected Units
\$10,000	+50%	\$15,000	\$18,000
\$10,000	+25%	\$12,500	\$14,000
\$10,000	+10%	\$11,000	\$11,600
\$10,000	0%	\$10,000	\$10,000
\$10,000	-10%	\$10,000	\$9,000
\$10,000	-25%	\$10,000	\$7,500
\$10,000	-50%	\$10,000	\$5,000

The Index

The Liontamer Australia Index measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation.

Index valuation

Liontamer will calculate the level of the Index each month and post the latest level on its website www.liontamer.com.

Movement in the Index

Movement in the Index is the movement in the value of the Index over the relevant Investment Period, comparing the Initial Index Level at the beginning of the Investment Period and the Final Index Level on the last day of the Investment Period. The formula for determining the Movement in the Index for the Units in the Trust is contained in the Prospectus.

Averaging

Averaging smoothes out market fluctuations and this feature has been added to protect your Index Linked Return from any sharp falls at the beginning and end of the relevant Investment Period. Please bear in mind that while averaging of the Initial Index Level and the Final Index Level will protect you in a falling market, it reduces the Index Linked Return in a rising market.

Initial averaging

The Initial Index Level for the Protected Units is the arithmetic average of the closing index levels on the Strike Date and the six averaging dates which are at monthly intervals for the six months following the Strike Date.

The Initial Index Level for the Unprotected Units is the arithmetic average of the closing index levels on the Strike Date and the three averaging dates which are at monthly intervals for the three months following the Strike Date.

Final averaging

The Final Index Level for both the Protected and Unprotected Units is the arithmetic average of the closing index levels on the 13 averaging dates which are at monthly intervals and start 12 months prior to the end of the relevant Investment Period.

Early maturity feature – applies to Protected Units only

The Fund Asset Provider will provide to Liontamer a monthly indicative value of the Assets of the Fund. The Pre-Set Growth Target operates if the indicative value of the Assets of the Fund in relation to the Protected Units is equal to or greater than 160% of the principal amount of the Assets of the Fund (being the amount originally invested in the Assets of the Fund).

In that case, Liontamer will use its best endeavours to instruct the Fund Asset Provider to terminate the Assets of the Fund early and obtain a payment amount of 160% of the principal amount (being the amount originally invested in the Assets of the Fund) of the Assets of the Fund.

You should note that indicative values may be greater or less than actual values due to timing, bid-offer spreads, actual unwind costs of the Assets of the Fund and other factors.

If the Assets of the Fund in relation to the Protected Units are terminated due to the Pre-Set Growth Target being met, Liontamer will notify the Unitholders, specifying a date (**the Early Repayment Date**) on which the Protected Units are to be repaid. Liontamer will repurchase all of the Protected Units on the Early Repayment Date unless you request that your Protected Units be redeemed. If Liontamer is unable or unwilling to repurchase the Protected Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Protected Units, it may instead redeem the Protected Units. You will receive \$1.60 per Protected Unit less, in the case of a repurchase by Liontamer, an Exit Fee, payable by you to Liontamer, of 2% of the value of the Protected Units to be repurchased.

Liontamer may extend the Investment Period of the Protected Units in the Trust from the Early Repayment Date for such period as Liontamer determines. If Liontamer elects to extend the relevant Investment Period, it will notify you of the impending Early Repayment Date and will give you the option to continue your investment for the extended Investment Period. Any such notice must advise the term of the new period, the terms and conditions applying to the Protected Units during the new period and that if you wish to retain your Protected Units for the new period, you must notify Liontamer in writing. If you do not elect to retain your Units for the extended Investment Period, your Protected Units, following your request, will be repaid with effect from the Early Repayment Date.

3. Return of the Investment Amount

Unless Units have been repaid early, on the relevant Maturity Date and subject to the conditions and risks set out in this Investment Statement:

- Protected Units will be able to be repaid at the relevant Investment Amount less the Exit Fee (if applicable); and
- Unprotected Units will be able to be repaid at the relevant Investment Amount where the Final Index Level is the same as or greater than the Initial Index Level, less any applicable Exit Fee. However, where the Final Index Level is less than the Initial Index Level Unitholders will receive less than the relevant Investment Amount as this is reduced in equal proportion to the drop in the Index level over the relevant Investment Period (less the Exit Fee (if applicable)).

Investors should note, for Unprotected Units, there is no capital protection.

Cash payment will, at the request of the Unitholder, be available within 10 Business Days after the relevant Maturity Date and will be paid only following a Unitholder's request.

Returns on the Assets of the Fund

The Trust will invest the aggregate Investment Amounts for each class of Units in the Trust in a financial instrument sold by the Fund Asset Provider (the **Assets of the Fund**). The Assets of the Fund corresponding to each class of Units in the Trust will, subject to the risks set out in this Investment Statement, have a payment amount paid on the relevant Maturity Date which is then distributed to Unitholders as the returns paid on each Unit (less the Exit Fee).

The Assets of the Fund constitute unconditional, unsecured and unsubordinated obligations of the Fund Asset Provider and rank equally with all present and future unsecured and unsubordinated obligations of the Fund Asset Provider (except as prescribed by law).

The subscription amounts paid to, and payments received from, the Fund Asset Provider will be paid from and to a custodial account of the Statutory Supervisor.

Further details about the returns on the Units

Payments

All payments to Unitholders will be made by way of direct transfer into a Unitholder's bank account. Liontamer will not make any cheque payments for these amounts.

Returns are generally available for payment within 10 Business Days of the relevant Maturity Date. Any interest earned on returns in the period between the relevant Maturity Date and the date returns are paid to a Unitholder, following deduction of Liontamer's administration fee for unwinding the Trust (if any), will be distributed to Unitholders.

Returns on Early Repayment at the request of the Unitholder

Protected Units

If exceptional circumstances exist, the returns you will receive following an early Repayment are calculated based on the value of the corresponding Assets of the Fund at that time as determined by the Fund Asset Provider less the Exit Fee. In all other cases (unless the relevant Pre-Set Growth Target is met) the maximum return following an early Repayment is \$1.00 per Unit less the Exit Fee, see "How do I cash in my investment?" on pages 14 and 15.

Unprotected Units

The returns you will receive following an early Repayment are calculated based on the value of the corresponding Assets of the Fund at that time as determined by the Fund Asset Provider less the Exit Fee. See "How do I cash in my investment?" on pages 14 and 15.



Early Repayment of Units Consequent on Early Termination of Assets of the Fund

On the occurrence of certain extraordinary events affecting the Fund Asset Provider or Liontamer (described in the Prospectus), the other party may designate an early termination date of the relevant Assets of the Fund prior to the relevant Maturity Date. If that is to occur, Liontamer will repurchase all Units on that Repayment date unless a Unitholder requests that its Units be redeemed. If Liontamer is unable or unwilling to repurchase the Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Units, it may instead redeem the Units. In each case, each holder of the Units will be entitled to receive a pro rata amount per Unit determined by reference to the amount Liontamer receives on termination of the relevant Assets of the Fund less, in the case of a repurchase by Liontamer, an Exit Fee, payable by the Unitholder to Liontamer, of 2% of the value of the Units to be repurchased – see also the description under “Early termination of the Assets of the Fund” on page 15.

Currency

Returns are not exposed to currency fluctuations between the New Zealand dollar and the Australian dollar.

Other

Liontamer Investment Management Pty Limited is the entity legally liable to pay the returns which comprise the Early Bird Interest (if any), the positive Index Linked Return (if any) and the repayment of your Investment Amount (or part of your Investment Amount in the case of a negative Index Linked Return for Unprotected Units), less any applicable Exit Fee, provided you have not requested an early Repayment.

None of Liontamer, the Fund Asset Provider, the Statutory Supervisor, nor any other entity guarantee payment of the Early Bird Interest (if any), the positive Index Linked Return (if any), or the repayment of all or part of your Investment Amount (less any applicable Exit Fee). As described under “Fund Asset Provider” on page 5, Liontamer relies on the Fund Asset Provider performing its obligations to provide payment of the Index Linked Return together with the repayment of all or part of your Investment Amount (less, in each case, any applicable Exit Fee).

The total amount of your returns cannot be quantified at the date of this Investment Statement, and therefore cannot be promised by Liontamer in this Investment Statement.

Key factors that will determine your returns will be the performance of the Index during the relevant Investment Period, holding your Units until the relevant Maturity Date, your Investment Amount and any Exit Fee payable.

After the relevant Maturity Date, in respect of Units which are not repaid on that date, returns will be linked to the returns on the Trust’s underlying assets. Any interest earned can be offset against the costs Liontamer incurs in winding up the Trust and these costs will be deducted when the Trust is terminated.

There are no reserves or retentions that will affect returns on your Units.

The references in this Investment Statement to returns which Unitholders will receive from the Trust are to Unitholders’ pro rata entitlement to amounts received by the Trust from the Fund Asset Provider on termination of the relevant Assets of the Fund in the relevant circumstances (except where a Unitholder has requested early repayment of Units). The Trust must distribute these amounts in accordance with the Trust Deed.

HOW WILL THIS INVESTMENT BE TAXED?

Taxation

The following comments apply to all of the Units issued under this Investment Statement (unless otherwise stated).

Please note that the information included in this section does not constitute taxation advice to investors. This summary is not intended to be an authoritative or complete statement of the applicable laws as at the date of this Investment Statement and is indicative of the likely tax treatment only.

The tax rules set out in this Investment Statement may change during the term of the investment and such changes may materially affect your tax position with respect to an investment in the Trust. Liontamer is not responsible for any changes in tax law or interpretation which might adversely affect the returns for Unitholders.

This summary does not apply to Unitholders who hold 10% or more of the Units issued in the Trust 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 Trust will be taxed taking into account their specific circumstances.

General

Because the Trust is an Australian unit trust, it should be treated as a “foreign company” for New Zealand tax purposes.

The rules for the taxation of investments in foreign entities held by New Zealand residents changed with effect from 1 April 2007. The rules are referred to as the Foreign Investment Fund (“FIF”) rules. The FIF rules will potentially apply to your Units in the Trust.

If you are investing in your own capacity (i.e. not through a trust or company), whether or not the FIF rules will apply to you depends on the total cost of your foreign investments. The FIF rules will apply to you if the total cost of all your foreign investments exceeds \$50,000 (see below). If the cost of your foreign investments is \$50,000 or less you will be taxed under the ordinary tax rules.

The two alternative taxation regimes are outlined below.

Calculating the \$50,000 threshold

When calculating the cost of your foreign investments it is important to remember that potentially all of your foreign shares and units are taken into account even though the shares or units may have been acquired before 1 April 2007. If shares and units had been acquired before 1 January 2000, you may elect that the cost of those shares or units be treated as one half of the market value of the investment on 1 April 2007.

It is also important to note that not all foreign shares and units are taken into account in determining whether the \$50,000 cost threshold is exceeded. For example, the cost of shares in Australian tax resident companies listed on an approved index of the Australian Securities Exchange and certain Australian unit trusts are not taken into account.

The cost threshold must be calculated for each tax year (being the 12-month period beginning on 1 April and ending on 31 March) beginning on 1 April 2007. As a consequence it is possible that you could be above and below the threshold over different tax years depending on the cost of the foreign investments you hold each year.

Foreign investments costing \$50,000 or less - FIF rules do not apply

The rules outlined in this section will apply to you if you are investing in Units directly (i.e. not through a company or trust) and the total cost of your foreign investments at all times in the tax year is \$50,000 or less applying the rules outlined above.

Any gain you derive on the sale of your Units to the Manager at the time that the Units are repaid may (depending on your circumstances) be a tax-free capital gain.

If you request to have your Units redeemed at any time (whether before or after the Maturity Date) any amount you receive in excess of the Investment Amount will be taxable to you as a dividend. You would be required to include the "dividend" in an income tax return or statement.

Foreign investments costing more than \$50,000 – FIF rules apply

The FIF rules outlined below will apply to you unless you are an individual (not acting as a trustee) and the total cost of your foreign investments that are potentially subject to the FIF rules is \$50,000 or less at all times in the tax year.

You must use an authorised calculation method under the FIF rules to determine the taxable income from your Units.

Fair dividend rate method

The fair dividend rate ("FDR") method is the calculation method which is most commonly applied.

Under the FDR method you would be taxed each year on 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. Any Units issued during a tax year will not give rise to any taxable income under the FDR method for that first tax year.

Taxation of actual gains

If you are an individual or you are investing as the trustee of a family trust, you will be entitled to select the comparative value method ("the CV method") instead of the FDR method in a particular tax year if this would result in less taxable income than under the FDR method. Taxable income under the CV method is the amount that is the total realised and unrealised gain (i.e. the net gain in the market value over the year plus dividends received and net sale proceeds) in the tax year.

Generally, if you choose to apply the CV method in a given tax year you must do so on a portfolio basis for all foreign investments that are potentially subject to the FIF rules. If you have other investments (including other Liontamer units) for which you have elected to be taxed on your actual gain under the CV method, you are not permitted to use the FDR method in that year for any of your other foreign investments.

Cost method alternative

Where it is not practical to apply the FDR method because the "market value" of an investment cannot be determined except by independent valuation, an investor may choose to pay tax on 5% of the cost of the investment each year under the "cost method". The "cost" of the investment is increased by 5% each year for the purposes of applying this method. "Cost" can be reset once every five years through an independent valuation. Under this alternative, there is no option to be taxed under the CV method on actual gains. However, use of the cost method for one of your investments will not prevent you from applying the FDR or CV method to your other offshore investments.

No deduction for losses

In no case would you be entitled to claim a deduction for a net reduction in the value of your overall foreign portfolio of investments to which the FDR rules apply during a tax year.

Determination in respect of Liontamer Units and the FDR method

The Inland Revenue Department ("IRD") may issue a determination that the FDR method can be applied to a particular investment. The 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. Based on this determination, and a subsequent discussion with the IRD, Liontamer considers that the FDR method will be able to be applied to the Units in the Trust.

How the rules will apply to the Protected Units

Based on the restrictions imposed on the transferability of the Protected Units, a reasonable view is that the "market value" of each Protected Unit can be determined each year without an independent valuation and that it will not exceed \$1.00 before the Protected Units are repaid.

How you will be taxed each year will depend on how your other foreign investments which are subject to the FIF rules have performed that year as you must choose to apply the FDR or CV method on a portfolio basis to your foreign investments.

If you continue to be subject to the FIF rules in the tax year in which your Protected Units are repaid no further taxable income would arise on the sale of your Protected Units to the Manager or the redemption of your Protected Units under the ordinary tax rules (which now only apply if you are an individual not acting as a trustee and your foreign investments cost \$50,000 or less) irrespective of what calculation method you chose to apply in that year.

How the rules will apply to the Unprotected Units

Because no restrictions are imposed on the transferability of the Unprotected Units, the "market value" of each Unprotected Unit should be able to be determined each year (by reference to information provided by the Fund Asset Provider and/or information from other sources). This may be above or below \$1.00 before the Unprotected Units are repaid.

How you will be taxed each year will depend on how your other foreign investments which are subject to the FIF rules have performed that year as you must choose to apply the FDR or CV method on a portfolio basis to your foreign investments.

If you continue to be subject to the FIF rules in the tax year in which your Unprotected Units are repaid no further taxable income would arise on the sale of your Unprotected Units to the Manager or the redemption of your Unprotected Units under the ordinary tax rules (which now only apply if you are an individual not acting as a trustee and your foreign investments cost \$50,000 or less) irrespective of what calculation method you chose to apply in that year.

Early Bird Interest

RWT

If you are resident in New Zealand for tax purposes or you are investing in Units through a non-resident company with a fixed establishment in New Zealand, resident withholding tax at the appropriate rate will be deducted from the gross Early Bird Interest paid to you during the period of the Offers unless you hold a current certificate of exemption and provide a copy of that certificate to Lontamer before the interest is paid.

NRWT and AIL

If you are not resident in New Zealand for tax purposes or you are investing through a non-resident company that does not have a fixed establishment in New Zealand, non-resident withholding tax will be deducted from gross Early Bird Interest paid to you at the appropriate rate (i.e. 15%, reduced to 10% under most double taxation treaties entered into between New Zealand and other jurisdictions) unless you request Lontamer to pay approved issuer levy ("AIL") in lieu of deducting non-resident withholding tax. If so requested, Lontamer will pay AIL to the IRD equal to 2% of the gross Early Bird Interest paid to you. The net cost of the 2% payment and all costs of and relating to registration for AIL purposes and the payment of AIL will be deducted by Lontamer from the gross Early Bird Interest payable to you.

Australian withholding tax

It is not expected that there will be any Australian withholding tax on payments made by the Trust. This is based on the circumstances of the Trust, its non-Australian sourced income and a current ruling by the Australian Taxation Office in respect of withholding tax. This is a general ruling and not one that has been obtained by Lontamer. The ruling is not specific to Lontamer or the Trust. If Lontamer is obliged to make any deduction or withholding on account of taxes which should have been made by the Trust, this amount will be deducted from amounts payable to you and under the terms of the Trust Deed Unitholders indemnify Lontamer in respect of any such deduction or withholding.

Australian capital gains tax

Under legislation recently passed in Australia, New Zealand resident Unitholders are not subject to Australian capital gains tax in respect of their Units on the basis that the Trust will not invest in Australian real property or hold assets which will be used in carrying on business through an Australian permanent establishment.

You should consult your tax adviser on the tax implications of investing with regards to your specific circumstances as this is not specific tax advice to individuals and Lontamer takes no responsibility for providing taxation advice to individual Unitholders.

WHAT ARE MY RISKS?

The principal risks involved with an investment in the Trust which is held to maturity are:

- **Credit risk:** neither the capital in the Trust, nor the payment of any income or any particular rate of return from investing in the Trust, is guaranteed. Lontamer intends to invest the relevant aggregate Investment Amounts for each class of Units in the Trust in the Assets of the Fund sold by the Fund Asset Provider. The Assets of the Fund are unsecured contractual obligations of the Fund Asset Provider and you are exposed to the potential credit risk that the Fund Asset Provider is put into liquidation or is unable to meet its payment obligations in respect of the Assets of the Fund. The Fund Asset Provider has a Standard & Poor's credit rating of AA- as at the date of this Investment Statement. Other than in the exceptional circumstances described in the Prospectus, the Trust is liable for any liabilities, obligations or debts incurred by Lontamer when it is acting for and on behalf of the Trust;
- **General market risks:** returns from sharemarket linked investments may fluctuate significantly (due to factors such as economic and political conditions, market sentiment, market liquidity and supply and demand imbalances) and affect any relevant positive Index Linked Return for each class of Units and, in the case of Unprotected Units only, a negative Index Linked Return will reduce the Investment Amount, on the relevant Maturity Date.
- **Capital protection:** capital protection of the Assets of the Fund applies only on the relevant Maturity Date and is 100% of the Investment Amount for Protected Units only. There is no capital protection of the Unprotected Units.
- **Liquidity:** liquidity risk exists due to the restrictions on early Repayment, as described under "How do I cash in my investment?" on pages 14 and 15; and
- **Change in tax treatment:** a change in the tax treatment of the Trust or returns from the Trust may affect the returns, see "How will this investment be taxed?" on pages 10 – 12.
- **Early Repayment requests:** market conditions at the time you request your Units to be repaid early may affect the return on your Investment Amount. The early Repayment price for both Unit classes will be calculated based on the value of the corresponding Assets of the Fund at that time as determined by the Fund Asset Provider. This value is affected by the performance of the Index, market volatility, establishment costs, time left to maturity and the level of interest rates, so it is possible that you will receive an amount that is significantly less than the price you paid for your Units. In addition, an Exit Fee applies before the Maturity Date. No capital protection exists on early Repayment of your Units.

Protected Units

If exceptional circumstances exist in respect of an early Repayment request, a different amount is payable on repayment of Protected Units than where exceptional circumstances do not exist. If no exceptional circumstances exist, you will forego any positive return above \$1.00 per Unit, and a 2% Exit Fee applies.

Unprotected Units

There are no restrictions on the circumstances under which you can request an early Repayment or the value realised. The Unit price could be above or below \$1.00 depending on market conditions.

- **Early termination of the Assets of the Fund:** under the terms of the Assets of the Fund, either Lontamer 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 Lontamer as described in the Prospectus. Additionally, if an event of default occurs in respect of either Lontamer or the Fund Asset Provider as described in the Prospectus, the non-defaulting party may designate an early termination date in respect of the Assets of the Fund. Certain of these termination events and events of default can be triggered by actions taken by, or circumstances affecting, Lontamer including actions or circumstances not related to the Trust itself and including the insolvency of Lontamer or a breach by Lontamer of its obligations under the Confirmations. Relevant to an assessment of these

risks, Lontamer will have performed its payment obligations under each Confirmation when it pays the aggregate Investment Amount to the Fund Asset Provider, Lontamer owes fiduciary duties to Unitholders as trustee of the Trust and its activities are currently limited to acting as trustee and manager under the Trust and other investment trusts established by it.

If the Assets of the Fund are terminated (whether as a result of an early repayment request or as a result of early termination of the Assets of the Fund), Lontamer 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, changes in market conditions and other risks described above. Lontamer will repurchase all corresponding Units on that Repayment date unless a Unitholder requests that its Units be redeemed. If Lontamer is unable or unwilling to repurchase the Units because of unacceptable (to Lontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Units, it may instead redeem the Units. Each holder of the relevant class of Units will be entitled to receive a pro rata amount per Unit determined by reference to the amount Lontamer receives on early termination of the corresponding Assets of the Fund less, only in the case of a repurchase by Lontamer, an Exit Fee payable by the Unitholder to Lontamer, of 2% of the value of the Units to be repurchased. The above risks are described in more detail in the Prospectus which you can obtain a copy of as described under "What other information can I obtain about this investment?" on page 16.

Further risks relating to the Index are:

- Because the Index mirrors the movement of one single index (the Lontamer Australia Index) which in itself measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation, the diversification risk is limited to one market (Australia) rather than across a range of markets across different geographic regions.
- The Lontamer Australia Index is limited to the performance of the 200 largest index-eligible stocks listed on the ASX, a significant but still limited subset of the complete universe of investable Australia stocks. As a consequence, the performance of the Index is based entirely on the performance of the 200 stocks that make up the Lontamer Australia Index during the relevant Investment Period.

Underlying securities (Assets of the Fund)

If you would like more information about the risks relating to the Assets of the Fund, you can request a copy of (when available) the relevant Confirmation of the Assets of the Fund from Lontamer by contacting Lontamer Investor Relations, see "Who do I contact with enquiries about my investment?" on page 16.

Consequences of insolvency

The Trust Deed limits your liability to any unpaid amount in relation to the Units you hold. You will not, by reason of being a Unitholder alone, be personally liable to indemnify Lontamer or the Statutory Supervisor or any creditor of any one or more of them in the event that the liabilities of the Trust exceed the assets of the Trust.

It is unlikely that the Trust will be terminated prior to the relevant Maturity Date (unless the Pre-Set Growth Target is met for the Protected Units and the relevant Portfolio is terminated). In the event of the Trust being terminated or being put into liquidation or wound up, the claims of the creditors of the Trust, including insolvency claims by:

- Lontamer;
- the Statutory Supervisor;
- creditors (both secured and unsecured); and
- any preferential creditors such as the Inland Revenue Department,

will rank ahead of Unitholders' claims in the Trust. Any insolvency payments would also be subject to any relevant legislation. Unitholders' claims will rank equally as between themselves. Unitholders will not be liable to pay money as a result of the insolvency of the Trust.

CAN THE INVESTMENT BE ALTERED?

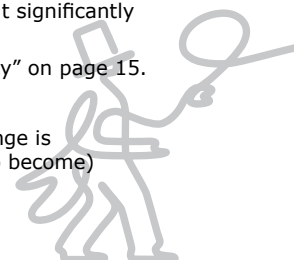
Lontamer can extend the period of the Offers at its discretion. The period of the Offers cannot be extended beyond four months from the date of registration of the Prospectus.

Lontamer has the right to make certain other alterations to the terms of the Trust including the following:

- minimum investment amount, minimum number of Units for which a Repayment request may be given, and minimum number of Units which a Unitholder must retain following a Repayment;
- Closing Date, Strike Date and Issue Date;
- Entry Fee, management fees and Exit Fee payable by a Unitholder (within the maximum levels set out in the Trust Deed);
- investment policy at any time (subject to restrictions set out in the Trust Deed);
- terms of any Units, by way of Lontamer amending the Trust Deed as provided for in the Trust Deed and the Corporations Act and Regulations of Australia. For certain amendments to the Trust Deed, Lontamer must obtain approval by extraordinary resolution at a meeting of Unitholders;
- Lontamer may terminate the Trust at its discretion, at any time, by giving Unitholders not less than 30 days' written notice of termination. Lontamer anticipates that it will only exercise this right prior to maturity (unless the Pre-Set Growth Target is met for the Protected Units) if, for example, a termination event or event of default occurs in respect of either Lontamer or the Fund Asset Provider and the other party designates an early termination date of all the Assets of the Fund relating to the Trust, or in the unlikely event that there are changes in the law or generally that significantly and adversely affect Unitholders; and
- Lontamer may extend the Investment Period at maturity – see "Extension of Investment Period at maturity" on page 15.

In addition, Unitholders may determine to terminate the Trust by extraordinary resolution.

Lontamer may alter the terms in certain other circumstances such as to correct manifest error or if the change is necessary (in Lontamer's opinion) for the more convenient working of the Trust and it is not (or not likely to become) prejudicial to the general interests of the Unitholders.



At the date of this Investment Statement, Liontamer does not intend to make any of the above alterations to the terms of the Trust.

Rights on termination

On termination of the Trust, Unitholders are entitled to receive a share of the net proceeds of realisation of the Trust's property into cash (after Liontamer has discharged the Trust's liabilities including costs of termination, as described on page 13) pro rata to the number of Units held by them. In these circumstances, Liontamer will sell and realise the Trust's investments as soon as reasonably practicable.

Two classes of Units have been issued and two Portfolios have been created within AUSTRALIA Series 1 Trust 32 and, therefore, the pro rata entitlement of each class of Units in AUSTRALIA Series 1 Trust 32 will be to property held in the fund corresponding to that class of Units.

Your rights may also be affected by changes to the Corporations Act (Australia), New Zealand Securities Act 1978, or decisions made by the courts in Australia or New Zealand.

HOW DO I CASH IN MY INVESTMENT?

Before the Strike Date

Your investment can be withdrawn any time before the Strike Date unless you have been advised otherwise by the Manager. In this event, Liontamer will refund your Application Amount but without any Early Bird Interest which will be distributed across all other investors.

Early Repayment process

Your investment in the Trust is a hold-to-maturity investment designed to be held until the relevant Maturity Date (unless the Pre-Set Growth Target in relation to the Protected Units is met) at which time you are able to request Repayment of the relevant Index Linked Return together with, in the case of Protected Units, all of your Investment Amount.

The amount repaid on an early repayment may be substantially less than the relevant Investment Amount. The value of the Units will be affected by market movements, changes in volatility and interest rates since inception and the establishment costs of the relevant Portfolio. Prior to maturity, the value of the Units is unlikely to mirror the formula of returns which apply to each class of Units. Capital Protection does not apply to the Protected Units until maturity. You may request in writing to Liontamer that your Units are repaid early. Liontamer may in its absolute discretion refuse to action your request without giving a reason.

Protected Units

If exceptional circumstances exist (for example the death or severe financial hardship of a Unitholder), a different amount is payable on Repayment than where exceptional circumstances do not exist, as set out below. In either situation, the value per Protected Unit may be significantly less than the original amount invested due to, amongst other things, establishment costs, the Exit Fee, changes in market conditions and other risks, including those identified in "What are my risks?" on pages 12 –13.

a) Exceptional circumstances

On Repayment where exceptional circumstances exist, you will receive per Protected Unit an amount based on the value of the corresponding Assets of the Fund (being the Fund Asset Provider's determination of the value of the Assets of the Fund divided by the number of Protected Units then on issue) less an Exit Fee, payable by you to Liontamer, of 2% of the value of the Protected Units to be repaid.

b) No exceptional circumstances

On Repayment of the Unitholder's Protected Units where exceptional circumstances do not exist, you will receive per Protected Unit an amount equal to the lesser of:

- \$1.00; and
- the amount calculated based on the value of the corresponding Assets of the Fund (being the Fund Asset Provider's determination of the value of the Assets of the Fund divided by the number of Protected Units then on issue), less, in each case, an Exit Fee, payable by you to Liontamer, of 2% of the value of the Protected Units to be repaid.

Unprotected Units

The rules regarding early repayment requests for Unprotected Units are different to those for the Protected Units.

Unitholders holding the Unprotected Units may request early repayment at any of the quarterly dates and for any reason. Early repayments of Unprotected Units are not subject to a maximum value per Unit prior to maturity (this does not apply to the Protected Units which are subject to maximum value of \$1.00 per Unit where no exceptional circumstances exist).

On Repayment of your Unprotected Units, you will receive per Unprotected Unit an amount based on the value of the corresponding Assets of the Fund (being the Fund Asset Provider's determination of the value of the Assets of the Fund divided by the number of Unprotected Units then on issue) less an Exit Fee, payable by the Unitholder to Liontamer, of 2% of the value of the Unprotected Units to be repaid.

If you wish to request early Repayment, follow these steps:

Step 1: contact your financial adviser who will provide you with an indicative Unit price obtained from Liontamer that takes into account the 2% Exit Fee.

Step 2: if you still wish to proceed, you must put your request in writing to Liontamer Investment Services Limited, the contact details of which are set out under "Who do I contact with enquiries about my investment?" on page 16. The request should specify whether any exceptional circumstances exist and must be received by Liontamer no later than 20 days prior to the end of January, April, July or October. Please note that early Repayment requests should not be sent to our registrar, Link Market Services Limited.

Step 3: if Liontamer agrees to your request, it will repurchase your Units on the relevant Repayment date unless you request that your Units are redeemed. You can only request that your Protected Units are redeemed if exceptional circumstances exist. If Liontamer is unable or unwilling to purchase Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Units, it may instead redeem your Units.

For repurchases you will be required to complete an "Off-Market Transfer Form" available at www.liontamer.com or www.linkmarketservices.co.nz.

Step 4: requests will be processed on the last Business Day of the relevant quarter.

Step 5: the early Repayment proceeds will be paid to you within 10 Business Days of the end of the relevant quarter by direct credit to your nominated bank account. These proceeds may be significantly below the price you paid for your Units due to changes in market conditions, establishment costs and other risks (as there is no capital protection until the relevant Maturity Date) and the Exit Fee.

Please note that:

- early Repayment requests must be for at least 4,850 Units of the same class in the Trust and thereafter in multiples of 1,000 Units of the same class and must be a complete disposal or result in a Unitholder holding at least 4,850 Units of the same class in the Trust, unless otherwise approved by Liontamer;
- the actual early Repayment price may differ from the indicative early Repayment price due to changes in market conditions between the date the indicative price was provided and the end of the relevant quarter;
- the early Repayment price where exceptional circumstances exist (in Liontamer's view) for Protected Units and for all Repayments of Unprotected Units will be calculated based on the then repayment value of the corresponding Assets of the Fund at that time as determined by the Fund Asset Provider less the 2% Exit Fee. The Fund Asset Provider has agreed to pay an amount equal to the payment amount of a corresponding portion of the amount invested in the Assets of the Fund as determined by the Fund Asset Provider on receiving a request to do so from Liontamer;
- where exceptional circumstances do not exist (in Liontamer's view) in relation to a request for early Repayment of Protected Units, the maximum value that will be repaid is \$1.00 less the 2% Exit Fee;
- if Liontamer receives early Repayment requests that relate in aggregate to more than 5% of a class of Units on issue in the Trust, Liontamer may elect to repay only 5% of the Units of that class on a pro rata basis. The percentage figures may be altered by Liontamer upon notification to Unitholders. Any Units that are not repaid will be carried forward to the next Repayment date and will receive first priority; and
- if any early Repayment would cause any material prejudice to remaining Unitholders, to the Trust or to Liontamer, Liontamer may, in its entire discretion, decline to action the early Repayment request.

In addition, Unitholders may determine to terminate the Trust by extraordinary resolution.

Early termination of the Assets of the Fund

On the occurrence of certain extraordinary events affecting the Fund Asset Provider or Liontamer (described in the Prospectus), the other party may designate an early termination date of the relevant Assets of the Fund prior to the relevant Maturity Date. Please refer to the "What are my risks?" section on pages 12 and 13.

If Liontamer or the Fund Asset Provider designates an early termination date of the relevant Assets of the Fund, the Fund Asset Provider will calculate the amount payable to Liontamer in accordance with the relevant Confirmation. It is expected that such payment amount will be equal to the value of an equivalent or replacement transaction having the same economic effect as the relevant Assets of the Fund determined on the basis of quotations from leading dealers in the relevant markets at that time. This amount may be significantly less than the price paid for the relevant Assets of the Fund. Liontamer will notify corresponding Unitholders, specifying a date on which all corresponding Units are to be repaid. Liontamer will repurchase all corresponding Units on that Repayment date unless a Unitholder requests that its Units be redeemed. If Liontamer is unable or unwilling to repurchase the Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Units, it may instead redeem the Units. In each case, each holder of the relevant class of Units will be entitled to receive a pro rata amount per Unit determined by reference to the amount Liontamer receives on termination of the corresponding Assets of the Fund less, in the case of a repurchase by Liontamer, an Exit Fee, payable by the Unitholder to Liontamer, of 2% of the value of the Units to be repurchased.

Extension of Investment Period at maturity

If Liontamer has decided to extend the relevant Investment Period, Liontamer will send you a letter at least 30 days before the relevant Maturity Date:

- advising you of the extension of the Investment Period;
- providing the term of the new investment; and
- asking you to advise in writing, at least 10 days prior to the relevant Maturity Date, if you wish to retain your Units or to instruct Liontamer to repay (by repurchase or redemption) your Units on the relevant Maturity Date. If no such advice has been received by this date, Liontamer will repurchase your Units on a date advised by Liontamer notwithstanding the extension of the relevant Investment Period. If you do not advise whether your Units are to be repurchased or redeemed then Liontamer will repurchase your Units and, in this case, the 2% Exit Fee will apply.

Within a fortnight after the relevant Maturity Date, Liontamer will send you a letter advising you of the amount:

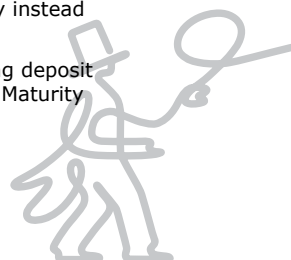
- reinvested for the new Investment Period, if you have decided to retain your Units; or
- paid to your nominated bank account, if you have decided to redeem or sell your Units at that date, or if no advice has been received from you, as referred to above.

No extension of Investment Period at maturity

If Liontamer has decided not to extend the relevant Investment Period, Liontamer will send you a letter specifying the relevant Maturity Date, indicating your returns and advising you that you may elect to have your Units repaid with effect from the relevant Maturity Date.

If you elect to have your Units repaid, Liontamer will purchase your Units on a date advised by Liontamer unless you request that your Units be redeemed. If Liontamer is unable or unwilling to purchase Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from purchasing and then redeeming Units, it may instead redeem your Units.

If you have not instructed Liontamer in terms of Repayment, your funds will be invested in an interest bearing deposit account until you request Repayment or until the Trust is terminated. Any interest earned after the relevant Maturity Date, after deducting the costs, or provision for costs (if any), will be distributed to Unitholders.



Transfer of Units

Protected Units

Protected Units are not transferable, except:

- from a Unitholder to a family trust of which the Unitholder is a settlor or from a family trust or a deceased estate to a beneficiary or a trustee for a beneficiary, provided that the parties agree that the price ascribed to the Protected Unit does not exceed \$1.00; or
- where Protected Units are transferred to Liontamer in accordance with this Investment Statement.

Accordingly, it is Liontamer's opinion that there is no established general market for any transfer or sale of Protected Units other than as described above or as described under "Early Repayment Process" above.

Unprotected Units

Unprotected Units are transferable and are not subject to the transfer restrictions that apply to the Protected Units. Your Unprotected Units can be sold or transferred to another person prior to the Maturity Date. You will be required to complete an "Off-Market Transfer Form" available at www.liontamer.com.

It is Liontamer's opinion that there is no established general market for any transfer or sale of Unprotected Units other than as described above or as described under "Early Repayment Process" above.

WHO DO I CONTACT WITH ENQUIRIES ABOUT MY INVESTMENT?

Enquiries about the Trust may be made by contacting your financial adviser or Liontamer Investor Relations. Contact details for Liontamer Investor Relations are as follows:

Email: info@liontamer.com
Postal address: Liontamer Investment Services Limited, PO Box 2002, Shortland Street, Auckland
Physical address: c/- Lock & Partners Limited, Level 1, 171 Hobson Street, Auckland
Phone: 0800 210 451
Fax: 09 365 1008

Unitholders should not contact the Fund Asset Provider or any party related to the Fund Asset Provider in respect of the Assets of the Fund. The Fund Asset Provider is under no obligation to provide any information to the Unitholders. All enquiries must be made through Liontamer Investor Relations.

IS THERE ANYONE TO WHOM I CAN COMPLAIN IF I HAVE PROBLEMS WITH THE INVESTMENT?

In the first instance, you should raise your concern with your financial adviser. He or she should be able to resolve the majority of problems and will listen to and investigate your concern. If your financial adviser is unable to resolve your problem, you can contact the Complaints Officer at Liontamer Investment Services Limited. The contact details for the Complaints Officer are as follows:

Postal address: PO Box 2002, Shortland Street, Auckland
Physical address: c/- Lock & Partners Limited, Level 1, 171 Hobson Street, Auckland
Phone: 09 360 8055
Fax: 09 360 8057

If you need to take the issue further, you could contact the Statutory Supervisor in New Zealand, New Zealand Permanent Trustees Limited:

Postal address: PO Box 5067, Wellington
Physical address: Level 10, 141 Willis Street, Wellington
Phone: 04 978 4497
Fax: 04 978 4480

There is currently no ombudsman for this type of investment to whom complaints can be made.

WHAT OTHER INFORMATION CAN I OBTAIN ABOUT THIS INVESTMENT?

If you would like more detailed information about the Trust, please ask your financial adviser or contact Liontamer Investor Relations. The details for Liontamer Investor Relations are set out above under "Who do I contact with enquiries about my investment?".

Other information about the Trust and the Offers is contained in the Prospectus, Trust Deed, Deed of Participation, and, when available each Confirmation, and in the financial statements (when available) relating to the Trust. A copy of these documents (when available) will be provided to you free of charge within five Business Days of your request to Liontamer Investor Relations.

A copy of the Prospectus, the financial statements (upon completion of the Trust's first accounting periods) and other documents of, or relating to, the Trust are filed on a public register on the Companies Office website www.companies.govt.nz (by searching the "Other Registers" file against the name of Liontamer or against the reference number 1871430) or, if such documents are not available online, (on payment of a fee) by contacting the Companies Office Contact Centre at info@companies.govt.nz or on (toll-free) 0508 266 726. Within a fortnight of the Issue Date, a certificate will be sent to you including the following details:

- your Application Amount;
- amount of Entry Fee deducted from your Application Amount;
- amount of Early Bird Interest earned during the period of the Offers;
- amount of withholding tax deducted from your Early Bird Interest;
- amount invested in the Trust inclusive of Early Bird Interest;
- number of Units issued to you;
- starting level of the Index; and
- relevant Maturity Date.

Information about the Trust, including this Investment Statement, the hold-to-maturity value of a Unit, and the Index level which will be updated monthly starting from one month after the Issue Date, can also be found on Liontamer's website www.liontamer.com.

Liontamer has been granted an exemption from the requirement to hold an annual meeting of Unitholders as Liontamer believes its investors prefer to stay informed by using its website and receiving mail outs from it.

Every Unitholder is entitled to free copies of the Prospectus (and associated documents), annual audited financial statements (upon completion of the Trust's accounting periods), Trust Deed, Deed of Participation, a comparison of the actual results of the Trust against the statements of prospective cash flows contained in the Prospectus, and, when available each Confirmation, and further copies of this Investment Statement. If you would like to receive this information please contact Liontamer Investor Relations by telephone or in writing. Liontamer Investor Relations' contact details are set out above under "Who do I contact with enquiries about my investment?".

Please advise Liontamer's registrar, Link Market Services Limited, in writing, if your address or bank account details change. Link's address is in the directory at the back of this Investment Statement.



NOTES



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DIRECTORY

NEW ZEALAND

Manager & trustee

c/- Liontamer Investment Services Limited
(at the offices of Lock & Partners Limited)
Level 1, 171 Hobson Street
AUCKLAND

Legal & tax adviser

Bell Gully
48 Shortland Street
AUCKLAND

Auditor & tax adviser

PricewaterhouseCoopers
188 Quay Street
AUCKLAND

Statutory supervisor & payment agent

New Zealand Permanent Trustees Limited
Level 10, 141 Willis Street
WELLINGTON

Registrar

Link Market Services Limited
Level 16 Brookfields House
19 Victoria Street West
AUCKLAND

AUSTRALIA

Manager & trustee

Liontamer Investment Management Pty Limited
c/- Pitcher Partners
Level 22, MLC Centre
19 Martin Place
SYDNEY NSW 2000

Legal adviser

Freehills
MLC Centre
Martin Place
SYDNEY NSW 2000

Tax adviser

Greenwoods & Freehills
MLC Centre
Martin Place
SYDNEY NSW 2000

Registrar

Blake & Riggall Pty Limited
ACN 004 552 363
Level 37
101 Collins Street
MELBOURNE VIC 3000

You should direct all enquiries to either your financial adviser or Liontamer Investor Relations by phoning 0800 210 451 or writing to Liontamer Investment Services Limited, PO Box 2002, Shortland Street, Auckland, New Zealand, or emailing info@lontamer.com

LIONTAMER  **INVESTMENTS**
MASTERING FINANCIAL MARKETS
■ protected ■ managed ■ customised

www.lontamer.com