



COMBI Series 5 The food and fuel fund

COMBI Series 5 is a capital protected investment that provides investors with a boosted exposure to a special commodities-linked index. The index contains a mix of important agricultural goods and essential energy resources – key elements that feed the world's expanding population and fuels global industry.

The growing demand for grains

A visit to the supermarket is enough to remind us that the price of many grocery items has increased dramatically over the last few years. Like all products, food prices are affected by the pressures of supply and demand. Currently there are two main factors affecting global demand for staple foods like sugar, wheat, soya and corn. First, people in developing nations are becoming wealthier as their economies thrive, resulting in a huge influx of middle-class consumers demanding access to quality foodstuffs, including grains and meat products. Given that it takes approximately 8kg of feed grain to produce 1kg of beef¹, that's a lot of additional pressure on grain prices.

Secondly, the burgeoning bio-fuel industry has a huge appetite for corn, sugar and wheat; three of the main options from which to create ethanol. In 2006, bio-fuels used almost 50% of Brazil's total sugar production. This year, up to 30% of the grain harvest in the U.S. is expected to go straight to ethanol distilleries¹. Despite a record growing season last year, suppliers are having trouble meeting the extra demand.

Pumping oil and gas

Energy resources, such as oil and gas, are the primary inputs driving the emerging markets of China, India, Central Europe and Latin America. These economies require enormous amounts of energy to build infrastructure and fuel their development. On the supply-side, energy producers already operate at near capacity and on-going geopolitical risks in places like Nigeria and Iraq continue to create supply disruptions contributing to escalating fuel prices.

COMBI Series 5, Liontamer's new 'Food and Fuel' fund offers investors the opportunity to benefit from the future growth of these essential commodities.

COMBI SERIES 5 - FOOD AND FUEL

Capital protection*	Full (100%) capital protection at maturity This means for each \$1 unit, \$1 is repaid at maturity
Growth#	Aiming for 150% (but no less than 105%) of the rise in the Liontamer Commodities Index (i.e. 1.5 x the rise)
Unit type	Booster units
Index	Liontamer Commodities Index Sugar, Soya, Corn, Wheat, Natural Gas, Brent Crude Oil
Term^	Five years (+/- 6 months)
Minimum Investment	\$5,000
Currency	New Zealand dollars

BOOSTER UNITS EXPLAINED

When you invest in COMBI Series 5 booster units, the returns you will earn will be accelerated.

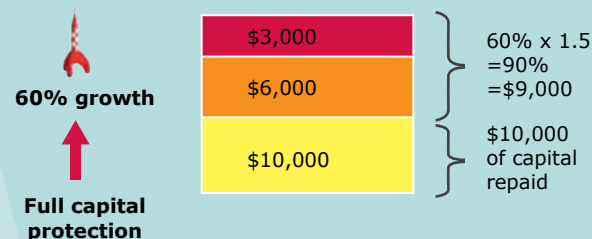
COMBI Series 5 is aiming to lock-in a 150% exposure to the growth in the Liontamer Commodities Index. The actual percentage multiplier is not fixed until the start of the investment period, when the fund's terms are finalised. We do this because it is very expensive to lock in the multiplier in advance and it would not be in investor's interests. By waiting until the start date, we achieve the best terms we can for investors. The minimum level for the fund to proceed is 105%; however, we do anticipate that the final level will be higher than that.

If, for example, the multiplier is locked-in at 150%, you will receive 150% (1.5 times) of the rise in the Liontamer Commodities Index. Along the way you have the comfort of knowing that your original capital is fully protected.

An example: take an investor who buys 10,000 units (\$1 each) and assume the index increases by 60% in value over the five year term of the investment. At maturity, the booster units will pay 1.5 times the return i.e. 60% growth is boosted to 90%.

The investment grows to \$19,000 at maturity:

1.5 x booster



¹The Economist

***Capital protection at maturity:** means you will receive back 100% of the combined amount invested and early bird interest (earned during the offer period) less any entry fee charged (up to 3%). Capital protection only applies at maturity. Early withdrawals may result in investors receiving back significantly less than they put in, due to market movements and the fund's establishment costs. There is a more detailed description of capital protection in the Investment Statement and the limited circumstances when capital protection may not be available.

#**Growth:** The percentage rise of the Liontamer Commodities Index will be fixed at the commencement of the fund and the minimum level for the fund to proceed is 105%.

^**Term:** Liontamer has the discretion to reduce or increase the maturity date by six months, depending on market movements during the offer period. The term will be set on or before the strike date. Investors will be advised of the term on their investment certificate.

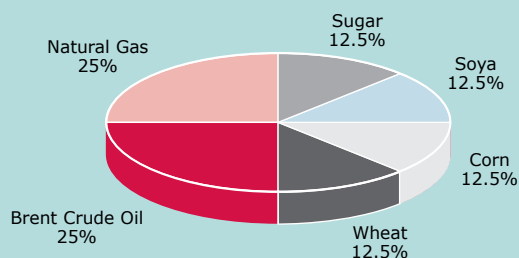
WHAT ARE COMMODITIES?

Commodities are the raw materials used to create other products, like the components of machinery, food and energy. Commodities basically fall into two groups, hard and soft. Soft commodities include agricultural products such as wheat, wool, butter and cattle. Hard commodities are energy products such as oil, gas and refined petrol, and metals such as gold, nickel and aluminium.

Commodities help provide a wider spread of risk in your portfolio as they tend to move in the opposite direction to equities and bonds (negative correlation). They also provide excellent protection from future inflation, but few investors have exposure to them in their portfolios, because commodities are very difficult to invest in directly.

THE LIONTAMER COMMODITIES INDEX

The Liontamer Commodities Index tracks six vital food and fuel resources. The fund allocates an exposure to each commodity according to a fixed weighting.



SUGAR: produced from sugar cane or the sugar beet. Used as a sweetener, preservative and bulking agent in food and as a raw ingredient in the production of ethanol used for bio-fuels.

SOYA: produced from soya beans. Can be eaten as is, used in many Asian-style foods, or processed into candle wax and bio-diesel.

CORN: also known as maize. Mostly produced in the U.S., China, Brazil and Mexico, corn can be processed into corn syrup, grain alcohol and bio-fuels, including ethanol, bio-diesel and bio-gas.

WHEAT: wheat grain is a staple food used to make flour, malt, pasta, alcohol and bio-fuels. China and India are the world's two largest wheat producers, followed by the U.S. and Russia.

NATURAL GAS: fossil fuel produced in many forms including methane, ethane, propane and butane. Produced as a by-product in oil fields or in naturally occurring underground gas fields. Main suppliers are U.S., Russia, Canada and the U.K.

BRENT CRUDE OIL: a benchmark oil classification against which most other fuel oils are priced. Sourced from the North Sea by the United Kingdom, Norway, Denmark, the Netherlands and Germany.

Sources: Nationmaster.com, Investopedia

OUR COMMUNICATION WITH YOU

- Within a week of your application form and cheque arriving, we'll send you a confirmation letter
- Ten days after the start date of the fund, we send you an investment certificate
- Each month the hold-to-maturity value of your fund is updated on our website www.liontamer.com
- Each quarter we launch a new fund and have an optional service where we'll let you know about it
- Each year, in early July we issue our annual newsletter
- Within 30 days of the end of the financial year we will send you a notice detailing year-end market values for tax purposes.
- When the fund matures we will send you a confirmation letter.

IMPORTANT: This document is for information purposes only and is only a brief summary of the key facts. Full details are contained in the Investment Statement and Prospectus, which can be obtained from your financial adviser or Liontamer Investor Relations on 0800 210 451. Neither KBC Bank NV, KBC Asset Management NV nor KBC Group NV guarantees repayment of the investment amount or any returns on the investment nor do either of them accept any liability to investors. However, as the Fund Asset Provider, KBC Bank NV is legally liable to pay to Liontamer as trustee of the fund certain amounts. Neither KBC Group NV nor any other member of the KBC Group guarantees the obligations of KBC Bank NV. May 2008.

CAPITAL PROTECTION

One of the concerns that many investors express to us is the risk of eroding their capital. For that reason alone, some feel they can't afford to invest in commodity markets, even though they'd love to access the potential returns which can be made. At Liontamer, we specialise in taking the fear out of investing and opening up a world of new opportunity with capital protected investments.

Who provides the protection?

A capital protected investment gives you peace of mind, because the fund will own investments that are fully capital protected at maturity by KBC Bank. KBC Bank is known as the 'Fund Asset Provider'. Regardless of how the Index performs, KBC Bank are legally liable to repay 100% of the original value of the investments owned by the fund. KBC Bank is a Global Fortune company (ranked 246 in 2007) with a Standard & Poor's credit rating of AA-.

WHAT ELSE DO I NEED TO KNOW?

EARLY MATURITY FEATURE: if the financial instruments underlying the fund reach a value of \$1.60, they will be terminated and the fund will mature early. This provides a way for investors to exit if there is exceptional performance.

EARLY EXIT: this is intended to be a hold-to-maturity investment and capital protection only applies at the end of the term. Early exits are possible on a quarterly basis at the discretion of Liontamer. Unless there are exceptional circumstances behind the reason for your withdrawal (or the early maturity feature is triggered) the maximum value of your units prior to maturity is \$1 (less any break costs of the underlying investments held by the fund and a 2% early exit fee). By withdrawing early, you will get back less than you invested.

EARLY BIRD INTEREST: during the offer period, your investment will be kept on deposit and earn a market rate of interest which is used to purchase additional units for you.

ENTRY FEE: 3%, unless rebated by your financial adviser. This is a charge paid by you.

ANNUAL MANAGEMENT FEE: none.

EXIT FEE: a fee of 2% applies to early withdrawals before maturity and all repurchases.

CURRENCY: this is a New Zealand dollar investment. Your investment is not exposed to fluctuations in currencies.

ISSUE PRICE OF UNITS: \$1.00

CLOSING DATE: this is a limited offer; speak to your financial adviser about the closing date.

CONTACT DETAILS: financial advisers and brokers can contact Liontamer on 0800 210 450 or email adviser_relations@liontamer.com.

LIONTAMER'S CREDENTIALS

Having launched 30 capital protected funds for thousands of investors, we believe our depth and breadth of experience and skills are unmatched in the New Zealand retail market. Liontamer is majority owned by KBC Asset Management, a member of the KBC Group – a Global Fortune 500 company.



LIONTAMER IS A MEMBER
OF THE KBC GROUP

www.liontamer.com