



GOLD Series 1

ADD SOME PROTECTION TO YOUR PORTFOLIO

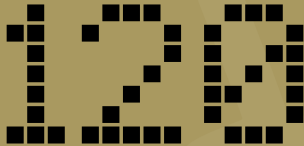
Gold has been used for thousands of years as a store of wealth for governments, central banks and individual investors alike. The precious metal has some unique characteristics that have traditionally made it very appealing as an asset class; it is both tangible and durable and it is easily traded across global markets. Gold has also been widely used as a safe haven investment option, especially when economic conditions become unstable and during times of political uncertainty and periods of high inflation.

This may explain why we have seen renewed interest in gold as an investment option over the last few years. The global financial crisis and worldwide recession of 2008/09 has been compounded by continued uncertainty in 2010 as major concerns surfaced over European sovereign debt and the potential breakup of the Euro zone.

During this time many investors have sought to protect their portfolios and hedge themselves against the possible effects of monetary destabilisation and inflation by buying gold.

GOLD Series 1 is designed for New Zealand investors who are seeking to allocate a portion of their investment portfolio to gold, or who wish to preserve recent gains from any future downturn in the gold price. The fund offers investors a boosted exposure to any increase in the price of gold plus the comfort of 100% capital protection at maturity*.

goldseries1



6 year term

PROTECTED UNITS

- **100% CAPITAL PROTECTION** at maturity*
This means for each \$1 unit, \$1 is repaid at maturity
- **GROWTH:** 120% of the rise in the Liontamer Gold Index (i.e. 1.2 times the rise)
- **MAXIMUM RETURN:** There is a maximum return of 100% i.e. the potential to double your investment*
- **TERM:** 6 years
- **LIQUIDITY:** monthly exits available
- **INDEX:** Liontamer Gold Index¹
- **MINIMUM INVESTMENT:** \$5,000
- **CURRENCY:** New Zealand dollars

PROTECTED UNITS EXPLAINED

When you invest in Protected Units, you will receive 120% of the rise in the Liontamer Gold Index (up to a maximum of a 100% return) and full capital protection at maturity*. For example, if the Index rises 50% in value over the six year investment term your return is calculated as 1.2 times that gain i.e. a 60% return. If, however, over the same period the Index rises by 90%, your return is capped at 100% (90% x 1.2 = 108%). If the Index value falls you have the comfort of knowing that your original capital is fully protected at maturity^.

Market falls by 50%
100% capital protection results in no loss



Market up by 50%
\$1.00 unit grows to \$1.60 i.e. you get a boosted gain



Market up by 90%
\$1.00 unit grows to \$2.00 i.e. your boosted return is capped at \$1.00



KEY FEATURES OF GOLD

- **A global currency**
Gold is internationally recognised as a fundamental measure of value and the 'asset of last resort', meaning that gold is still used as a reserve currency by governments and central banks around the world in the event of a major currency failure.
- **Protection against crisis events**
When markets are gripped by fear and other assets crash in value, physical gold¹ is often seen as the ultimate safe-haven investment because it is tangible and, unlike some other assets, does not ultimately represent somebody else's liability.
- **Protection against inflation**
Inflation can erode the value of your investments by slowly reducing the purchasing power of your capital. As an asset with intrinsic value gold has a tendency to rise in value along with inflation.
- **Risk management**
Like most assets that are actively traded, the price of gold can rise and fall on a daily basis; however, gold tends to be less volatile than other commodities such as oil². Gold can also help reduce risk in a diversified portfolio due to its low correlation with other asset classes.

HOW GOLD FITS INTO A PORTFOLIO

Gold is increasingly used when constructing an investment portfolio to provide some additional diversification beyond the four traditional asset classes of cash, bonds, shares and property. Diversification is an important consideration because different assets perform well under different financial, political and economic conditions.

Gold is widely considered to have a low correlation with other traditional asset classes, especially shares. This means that gold tends to benefit when conditions are uncertain and sharemarkets are volatile, but may suffer during times of economic boom. When used in the construction of a diversified portfolio, gold potentially helps reduce overall risk and protect your portfolio from sudden market shocks.

*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%) and any exit fee. Capital protection only applies at maturity. Early withdrawals may result in investors receiving back significantly less than they put in, due to market movements, the exit fee 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. ^A more detailed description of the maximum return is available in the Investment Statement. ^Less fees (if applicable). 1. The Liontamer Gold Index is linked to the price performance of raw gold i.e. the fund does not invest in physical gold. For more information on the Index see the Investment Statement. 2. World Gold Council data, March 2010.

WHAT DRIVES THE PRICE OF GOLD?

Jewellery demand



Over the last five years the jewellery industry has accounted for around 68% of global gold demand; far more than that required by the investment sector¹. Much of this comes from India and China where a burgeoning middle class with cultural traditions surrounding gold have continued to buy jewellery amidst continuing strong economic growth. Meanwhile, in Europe and the US, demand is expected to recover slowly, driven initially by the need to build up inventories after stocks have been run down to very low levels. Sales of gold for jewellery purposes is often very seasonal, especially in Asia and the Middle East, where gold is frequently gifted for weddings and religious holidays.

Investment demand



Increasing worldwide demand for gold for investment purposes during the global financial crisis has recently pushed the gold price up; however, in inflation-adjusted terms, gold still has some way to go to reach the highs of 1980. Much of this current demand has come about due to the emergence of new investment vehicles, like exchange traded funds, through which investors can access gold. With gold now a more accessible investment option, investors have been able to build their exposure to the precious metal in order to help protect their portfolios during times of market and economic uncertainty.

Economics



All over the world governments and central banks use gold as a foreign exchange reserve, i.e. as an asset to back up their own currency. Gold is particularly suited to form part of a central bank's reserves as over the long term gold tends to maintain its value in terms of real purchasing power. In contrast, due to the effect of inflation, paper currencies tend to lose value over time. Most of the world's sovereign gold reserves are currently held by the United States, Germany, Italy and France but China has recently been purchasing (and mining) gold in vast quantities and is now the fifth largest holder of gold².

Supply



The earth has a finite supply of gold, and the increasing difficulty involved with retrieving it from the ground is making it steadily harder to keep up with demand. Global gold production has been falling every year since 2001 and some historic gold producers are now believed to be exhausting their reserves³. South Africa, for example, produced around 70% of the world's gold 40 years ago, but that has now dropped to 19%³. In part this is due to a higher gold price driving new mining projects, mostly in emerging markets. However, this may not ease the tight supply as these economies (China in particular) tend to use domestic gold production to boost their own foreign exchange reserves.

THE LIONTAMER GOLD INDEX

The Liontamer Gold Index is linked to the price performance of raw gold. This means that you get a 'pure' exposure to movements in the international gold price, i.e. unlike many other gold investments performance is not affected by currency movements between the New Zealand dollar and the US dollar.

CAPITAL PROTECTION

At Liontamer, we specialise in taking the fear out of investing and providing access to new markets via capital protected investments. The GOLD Series 1 Protected Units are 100% capital protected at maturity by a leading international bank.

Who provides the protection?

Liontamer has selected Barclays Bank³ to provide the financial instruments that form the underlying structure for GOLD Series 1. Barclays Bank plays an important role in providing the capital protection feature for the Protected Units because, regardless of how the Liontamer Gold Index performs, Barclays Bank is legally liable to repay 100% of the original value of the investments owned by the fund. Given its central role Barclays Bank's credit rating is an important factor.

Why are credit ratings important?

We want to encourage our investors to understand the value of a good credit rating and its importance in the capital protection of our funds. A credit rating is an indicator of a bank's financial strength and its ability to meet its obligations. A strong credit rating is important because it indicates a bank's ability to repay any capital protection it has promised plus the formula of returns. Barclays Bank has an AA- credit rating from the well-known ratings agency, Standard & Poor's. For perspective, an AA- rating is very similar to the credit ratings currently held by the major banks in New Zealand.

WHAT ELSE DO I NEED TO KNOW?

EARLY EXITS: this is a hold-to-maturity investment and capital protection only applies at the end of the term. However, early exits are available on a monthly basis at the discretion of Liontamer. The amount received will be based on the current value of the assets in the fund (this could be above or below \$1.00) less a 2% exit fee.

EARLY BIRD INTEREST: during the offer period, your investment will be kept on deposit and earn a competitive 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.

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

ANNUAL MANAGEMENT FEE: Liontamer does not charge any ongoing management fees to administer your investment. For more information on fees please see the GOLD Series 1 Investment Statement.

CURRENCY: this is a New Zealand dollar investment. Your investment has no exposure to currency fluctuations between the New Zealand dollar and the United States dollar.

ISSUE PRICE OF UNITS: \$1.00

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

NEXT STEPS: read the GOLD Series 1 Investment Statement thoroughly and talk to your financial adviser or broker about whether this investment is suitable for you.

MORE INFORMATION: read our brochures 'Introducing Liontamer Investments' and 'Introduction to Liontamer capital protected funds' or visit our website:

www.liontamer.com

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. 1. World Gold Council data, September 2009. 2. World Gold Council data, March 2010. 3. Barclays Bank does not guarantee repayment of the investment amount or any returns on the investment nor do they accept any liability to investors. However, at maturity Barclays Bank is legally liable to pay to Liontamer as trustee of the fund the investment amount plus any returns for the Protected Units. June 2010.