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japan series1

150

**JAPANESE
EQUITY FUND**



Liontamer Japan Series 1 Trust **14**

Offered by Liontamer Investment Management Pty Limited ABN 23 104 174 325
Investment Statement for the purposes of the Securities Act 1978 (New Zealand) prepared on 7 November 2005



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 all the following questions that can be found on the pages noted below:

- +** **What sort of investment is this?** page 4
- +** **Who is involved in providing it for me?** page 5
- +** **How much do I pay?** page 5
- +** **What are the charges?** page 6
- +** **What returns will I get?** page 7
- +** **What are my risks?** page 9
- +** **Can the investment be altered?** page 10
- +** **How do I cash in my investment?** page 10
- +** **Who do I contact with enquiries about my investment?** page 12
- +** **Is there anyone to whom I can complain if I have problems with the investment?** page 12
- +** **What other information can I obtain about this investment?** page 12

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.

CHOOSING AN INVESTMENT ADVISER

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you:

- whether the adviser gives advice only about particular types of investments; and
- whether the advice is limited to the investments offered by one or more particular financial organisations; and
- whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition

- if an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- if an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

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 3 of this Investment Statement.

Investments in Liontamer Japan Series 1 Trust 14 (the Trust) are available to New Zealand resident investors and other investors located outside Australia. In order to preserve the taxation status of the Trust, Australian residents or persons within the Australian jurisdiction will not be permitted to invest in the Trust. In addition, no further issue or transfer of Units can be made to a Unitholder should they become domiciled in Australia.

The securities referred to herein are not sponsored, endorsed, or promoted by the Note Issuer, and the Note Issuer 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 Note Issuer has with Liontamer Investment Management Pty Limited and any related securities.

The Trust is not endorsed or promoted in any way by the Note Issuer. The Note Issuer makes no representation in respect of, and has no liability whatsoever to, any investor regarding the Trust or the Notes, whether regarding the performance of the Notes or otherwise.

It is recommended that you obtain and read a copy of the Prospectus for this Offer before subscribing for Units, see "What other information can I obtain about this investment?" on page 12.



Quick guide

Fund name	JAPAN Series 1
Term	Four years
Growth	<p>You will receive 130% of the growth in the Japanese sharemarket at maturity. This means any growth in the sharemarket is boosted 1.3 times. For example:</p> <ol style="list-style-type: none"> 1. If the index grows 60%, you will receive a return of $60\% \times 1.3 = 78\%$ at maturity. 2. If the index grows 30%, you will receive a return of $30\% \times 1.3 = 39\%$ at maturity. 3. If the index falls 20%, you will not receive any growth, but your original investment, less any entry fee paid, will be returned to you at maturity. You will not suffer any fall in the sharemarket. <p>The final index level is calculated by taking the monthly average in the last 12 months in order to smooth returns at maturity.</p>
Capital protection	100% capital protected at maturity. This means your capital will be repaid at maturity, even if the index falls in value. To ensure this is possible, the fund buys fully protected investments issued by the Note Issuer, Barclays Bank PLC, which has a Standard & Poor's credit rating of AA. There is a more detailed explanation of capital protection on page 4 of this Investment Statement.
Liquidity	This is intended as a hold-to-maturity investment and should not be broken early. You should only invest if you can tie up your money for the full four year term. It is possible to withdraw your investment each quarter, but capital protection does not apply and you may get back less than you invested as well as incur an exit fee.
Annual return	0.05% p.a. paid 30 June each year, i.e. \$2.50 per \$5,000 invested.
Entry fee	0-3% of the amount you pay for the investment (as described on page 6 of this Investment Statement). This is a cost paid by the investor.
Annual management fee	0%
Minimum investment	\$5,000
Currency	New Zealand dollars. Capital has no exposure to currency fluctuations.
Exit fee prior to maturity	<p>First two years: 3%</p> <p>Thereafter: 2%</p> <p>At maturity: 0%</p>
Offer period	Closing 16 December 2005 (unless extended).



JAPAN SHOWS ITS MUSCLE

GLOSSARY

Annual Return means the payment of 0.05% per annum of the Investment Amount, calculated using the 30/360 day count convention (which assumes all months have 30 days resulting in a 360 day year), payable to Unitholders on each 30 June.

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

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

Capital Protection Maturity Date means the day four years after the Issue Date.

Closing Date means 16 December 2005 or such earlier or later date as may be selected by Lontamer, provided that the latest date is not later than four months from the date of registration of the Prospectus.

Deed of Participation means the Master Deed of Participation dated 14 May 2003 between Lontamer and the Statutory Supervisor and a supplemental deed dated 7 November 2005 between those parties.

Early Bird Interest means the interest earned on the Application Amount from the date the Application Amount is received in cleared funds until the Issue Date after deduction of any withholding tax.

Entry Fee means 3% of the Application Amount.

Exit Fee means the fee charged by Lontamer on early redemption or repurchase of any Units, which is a percentage of the value of the Units to be redeemed or repurchased, being 3% during the first two years of the Investment Period, 2% thereafter and none on the Capital Protection Maturity Date.

Index means Japanese sharemarket index.

Growth in the Index means the increase in the value of the Index over the Investment Period as described under "Growth in the Index" on page 7.

Index Linked Return means the return payable on the Capital Protection Maturity Date calculated based on the Growth in the Index as described under "Growth in the Index" on page 7. Payment will be made in cash by direct transfer into a Unitholder's bank account.

Investment Amount means the balance of the Application Amount after deduction of the Entry Fee (plus the amount of any rebate of the Entry Fee) and addition of any Early Bird Interest that is used to purchase Units in the Trust.

Investment Period means the period of four years beginning on the Issue Date except as reduced as described under "Early redemption or repurchase process" on page 10.

Issue Date means the date (being a Business Day), on which the Units are issued, that is two Business Days after the Strike Date or such other date as may be selected by Lontamer, which is as close as practicable to two Business Days after the Strike Date.

Lontamer means Lontamer Investment Management Pty Limited.

Note Issuer means Barclays Bank PLC.

Notes means the structured notes to be issued by the Note Issuer under its £20 billion Structured Note Programme and to be purchased by Lontamer for the Trust.

Offer means the offer by Lontamer to investors of Units.

Prospectus means the prospectus in relation to the Offer of Units.

Statutory Supervisor means New Zealand Permanent Trustees Limited.

Strike Date means the date (being a Business Day) that is three Business Days after the Closing Date or such other date as may be selected by Lontamer, which is as close as practicable to three Business Days after the Closing Date.

Trust means Lontamer Japan Series 1 Trust 14.

Trust Deed means the Master Trust Deed dated 14 May 2003 entered into by Lontamer and a supplemental deed dated 7 November 2005 entered into by Lontamer and the Statutory Supervisor.

Unitholder means each holder of Units.

Units means units in the Trust.

\$ 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 Liontamer Japan Series 1 Trust 14 (the Trust). The terms attaching to the Units are described in more detail under “What returns will I get?” on page 7.

The Trust is:

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

Your investment is capital protected in the circumstances and to the extent described below under “Capital protection”.

Note Issuer

The manager of the Trust, Liontamer Investment Management Pty Limited (Liontamer), intends to invest in Notes issued by the Note Issuer, Barclays Bank PLC. For the avoidance of doubt, an investment in Units is not a direct investment by a Unitholder in the Notes.

The Note Issuer is a leading global financial institution with a long term credit rating of AA (as published by Standard & Poor's) and Aa1 (as published by Moody's Investors Service).

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. A Moody's rating of Aa1 has a similar meaning. Further details can be found on the websites www.standardandpoors.com and www.moodys.com

Although the Note Issuer is legally liable to repay the Notes and all returns on the Notes, the Note Issuer does not guarantee repayment of the Units or any returns on the Units and nor does it accept any other liability to Unitholders. You can find out more about the Note Issuer on www.barclays.com

Capital protection

“Capital protection” means that on maturity of the Investment Period and in the normal course of events, Unitholders will at least receive back their Investment Amount. Their original capital is protected from erosion at maturity because Liontamer invests in protected investments, which are designed to return the full original capital amount at maturity.

Liontamer relies on the Note Issuer's credit rating and that the Note Issuer will be able to meet its obligations under the conditions of the Notes for this capital protection. The Trust is therefore subject to the credit risk of the Note Issuer. The Note Issuer has a credit rating from Standard & Poor's of AA. If the Units are redeemed or repurchased before the Capital Protection Maturity Date, you may receive back less than you originally invested. See “What are my risks?” on page 9 for more detailed information about the principal risks relating to the Units.

Returns at a glance

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

- a 0.05% Annual Return;
- 100% of the Investment Amount; and
- 130% of the Growth in the Index.

These returns are more fully described under “What returns will I get?” on page 7.

WHO IS INVOLVED IN PROVIDING IT FOR ME?

The name of the Trust is Lontamer Japan Series 1 Trust 14.

The manager and trustee is Lontamer Investment Management Pty Limited:

Level 4
6-8 Underwood Street
Sydney
NSW 2000
Australia

Lontamer can be contacted in New Zealand, c/- Lontamer Investment Services Limited (the entity that provides services to the Trust and to Lontamer 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

Lontamer has entered into a Deed of Participation with New Zealand Permanent Trustees Limited (the Statutory Supervisor) dated 14 May 2003 and a supplemental deed dated 7 November 2005 (Deed of Participation).

The Statutory Supervisor:

- shall exercise reasonable diligence to ascertain whether or not any breach of the Deed of Participation, and the offer 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 Lontamer for the accuracy of the contents of this Investment Statement and therefore it makes no representation as to the accuracy or truth of the contents in 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.

Lontamer'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. To date, 12 separate unit trusts have been established and are carrying on business. As at the date of this Investment Statement, trust 13 is still in the offer period. 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. Lontamer may, at its discretion, accept amounts that are less than this amount.

If you wish to make an investment, your cheque for the Application Amount made payable to "BK Registries Limited" should accompany your application.

The address is:

BK Registries Limited
PO Box 384
Ashburton

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 addition of any Early Bird Interest) divided by \$1.00.

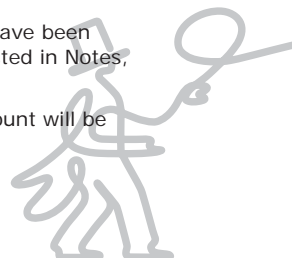
Lontamer:

- will not accept your application unless payment in full is received in cleared funds by 4:00 pm on the date the Offer closes;
- intends to close the Offer on 16 December 2005 but it reserves the right to extend the period of the Offer or to close the Offer early (the Closing Date);
- may, in its discretion, reopen the Offer in the period between the Closing Date and the scheduled Issue Date (provided Lontamer considers that it will not be prejudicial to existing subscribers) in which case the Issue Date 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.

No allotment will be made until Units to the value of \$1,000,000, being the minimum subscription amount, have been subscribed for. If the minimum subscription amount is not achieved or the subscription monies are not invested in Notes, your Application Amount will be returned to you, plus any Early Bird Interest.

If you withdraw your application prior to the Strike Date (which you are entitled to do), 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

The only fee or charge payable by you (provided you hold your investment to maturity) is an Entry Fee of 3%. 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 should a subscriber invest without the assistance of a financial adviser.

Exit Fee

Liontamer will charge a fee equal to a percentage of the value of Units (the Exit Fee) for early redemptions or repurchases as follows:

- 3% during the first two years of the Investment Period;
- 2% thereafter; and
- 0% on the Capital Protection Maturity Date.

The details of requesting an early redemption or repurchase of Units are set out under "How do I cash in my investment?" on page 10.

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

Liontamer's fee

Other than the Entry Fee of 3% charged to you, there are **no management fees** paid to Liontamer from the Trust. In consideration of Liontamer procuring a purchaser for the Notes, an entity related to the Note Issuer will pay Liontamer an introduction fee that is a percentage of the value of the Notes issued 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);
- marketing assistance provided to financial advisers;
- issue expenses;
- Statutory Supervisor's fees;
- accounting, audit, registry and custody 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 up to 3.5% (depending on volume levels) of the Application Amount after deduction of the Entry Fee referred to above will be paid to financial advisers at the beginning of the Investment Period. **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), your Application Amount will be refunded in full but without Early Bird Interest, which will be distributed across all other investors.

Your Units in the Trust can be sold or transferred to another person prior to the Capital Protection Maturity Date and Liontamer will endeavour to match buyers and sellers where possible. If Liontamer arranges a match between buyers and sellers it will charge a fee of 4% of the value of the Units to be sold, which includes 2% brokerage (which can be waived by the financial adviser) if a financial adviser is involved. If no financial adviser is involved, the full 4% fee will be retained by Liontamer for its benefit.

Under the terms of the Trust Deed, Liontamer is entitled to charge certain other fees but it has undertaken not to charge any such other fees. Liontamer does not intend to introduce any new charges during the term of the investment (see "Can the investment be altered?" on page 10).

1. Early Bird Interest

Investment Amounts received during the Offer period will be deposited on your behalf with a bank or other financial institution selected by BK Registries Limited and will earn Early Bird Interest until 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 the Issue Date. Any Early Bird Interest earned by you during the Offer period after deduction of any withholding tax will be applied towards purchasing additional Units in the Trust. Any surplus after rounding will be donated to 'Cure Kids', the face of the Child Health Research Foundation.

2. Annual Return

On 30 June each year (or as soon as practicable thereafter, but not later than 10 Business Days after the relevant 30 June) during the Investment Period, you will receive an Annual Return of 0.05% per annum of the Investment Amount.

3. Index Linked Return

On the Capital Protection Maturity Date you will be entitled to an Index Linked Return that is calculated as 130% of the rise in the index over the investment period, as described below under "Index" and "Growth in the Index" and calculated as set out in the Prospectus.

The Index Linked Return will be paid within 10 Business Days after the Capital Protection Maturity Date.

4. Return of Investment Amount

Unless the Units have been redeemed or repurchased early, on the Capital Protection Maturity Date your Units will be able to be redeemed or sold for the Investment Amount. In addition, Unitholders will receive the Index Linked Return referred to above. Cash payment will be available within 10 Business Days after the Capital Protection Maturity Date.

Payments

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

Liontamer's option to redeem

If Liontamer is unable or unwilling to repurchase Units because of unacceptable (to Liontamer) costs, including tax, which it may have to bear from repurchasing Units, it may instead redeem the Units, in accordance with the Trust Deed.

Index

The Japanese sharemarket index measures the performance of a basket of the largest companies listed on the Tokyo Stock Exchange. Examples of companies included in the Index are: Sony Corp, Toyota and Nikon.

Growth in the Index

The Prospectus sets out the formula by which the Growth in the Index will be calculated. The Growth in the Index is the percentage change in the Index level over the Investment Period, comparing the Index level at the beginning of the Investment Period with the final Index level, as described below.

The final Index level is averaged in the last year of the Investment Period. Averaging smooths out fluctuations and this feature has been added to protect your Index Linked Return from any sharp falls at the end of the Investment Period. Please bear in mind that while averaging of the Index level will protect you in a falling market, it reduces the Index Linked Return in a rising market.

Liontamer, in conjunction with the Note Issuer, will calculate the Index level each month and post the latest Index level on its website www.liontamer.com

The Notes

The Trust will purchase a series of Notes from the Note Issuer. The returns on the Units mirror those on the Notes.

The Notes constitute unconditional, unsecured and unsubordinated obligations of the Note Issuer and rank equally among all structured notes issued by the Note Issuer and equally with all present and future unsecured and unsubordinated obligations of the Note Issuer (except as prescribed by law).

The Notes will be held in custody by The New Zealand Guardian Trust Company Limited (or such other custodian as is appointed by Liontamer).

Further details about the returns on the Units

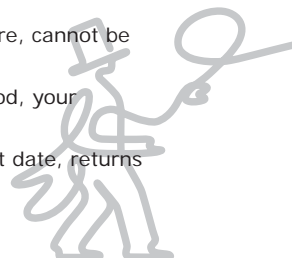
Liontamer Investment Management Pty Limited is the entity legally liable to pay the returns which comprise the Early Bird Interest (if any), the Annual Return, the Index Linked Return (if any) and the repayment of your Investment Amount, provided you have not requested an early redemption or repurchase.

None of Liontamer, the Note Issuer, the Statutory Supervisor, nor any other entity guarantees payment of the Early Bird Interest, the Annual Return, the Index Linked Return or the repayment of your Investment Amount. As described under "Capital protection" on page 4, Liontamer relies on the Note Issuer performing its obligations to provide payment of the Annual Return and the Index Linked Return together with the repayment of your Investment Amount.

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 Investment Period, your Investment Amount and any tax deductions.

After the Capital Protection Maturity Date, in respect of Units which are not redeemed or repurchased on that date, returns will be linked to the returns on the Trust's underlying assets.



HOW WILL THIS INVESTMENT BE TAXED?

Please note that the information included in this section does not constitute taxation advice to individual investors and is indicative of the likely tax treatment only.

Early Bird Interest

Resident withholding tax at the appropriate rate will be deducted from the gross Early Bird Interest paid during the Offer period unless you hold a current certificate of exemption and have provided a copy of this to Liontamer. Alternatively, investors not resident in New Zealand can elect to have non-resident withholding tax deducted at the appropriate rate. The approved issuer levy will not be available in respect of the Early Bird Interest.

Annual Return and Index Linked Return

Because the Trust is treated as an Australian unit trust it should be treated as a "foreign company" for New Zealand tax purposes. Liontamer will distribute any net income of the Trust in cash by way of direct transfer into a Unitholder's bank account. Resident withholding tax will be deducted from income distributions to non-corporate natural persons and trustees of New Zealand qualifying trusts at the appropriate rate under the resident withholding tax proxy regime unless you hold a current certificate of exemption and have provided a copy of this to Liontamer. New Zealand Unitholders (who are non-corporates) will be required to include the returns as gross income to the extent that resident withholding tax has not been deducted at the correct rate. Corporate investors may be required to pay a dividend withholding payment in relation to these distributions.

Although the Trust is a foreign company, this should not cause the Unitholders to be required to attribute any foreign income or to calculate any foreign investment fund income from the Trust because it is resident in Australia.

Redemption or repurchase

If your Units are redeemed at any time (whether before or after the Capital Protection Maturity Date) any amount received by you in excess of the Investment Amount will be taxable (for Unitholders other than companies) or subject to a dividend withholding payment (for companies).

If your Units are sold to third parties or to the manager any gain may (depending on the Unitholder's own circumstances) be a capital gain, not subject to New Zealand tax.

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 Tax Office in respect of withholding tax. This is a general ruling and not one that has been obtained by Liontamer. The ruling is not specific to Liontamer or the Trust. If Liontamer is obliged to make any deduction or withholding on account of taxes which should have been made by the Trustee, this amount will be deducted from amounts payable to Unitholders and under the terms of the Trust Deed Unitholders indemnify Liontamer in respect of any such deduction or withholding.

Australian residency

If you change residency or become domiciled within Australia while being an investor in the Trust, you must notify Liontamer as this could change your taxation treatment in regard to this investment and could impact on the taxation treatment of other Unitholders or of the Trust. If you are intending to change your residency status while you are an investor in the Trust, Liontamer advises that you obtain independent financial and tax advice as to your potential taxation liabilities.

Liontamer cannot accept applications from Australian residents or persons within the Australian jurisdiction. Investors in the Trust who subsequently become Australian residents are required to have their Units redeemed or sold. Liontamer will redeem or repurchase your Units once Liontamer becomes aware you are a resident of Australia.

General

The tax position 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.

The Government provided an outline of tax reforms in the 2005 Budget which, if implemented, would apply to the Trust with proposed effect from 1 April 2007. Further detail was released in a Discussion Document dated 28 June 2005 and submissions closed on 30 September 2005. The proposals suggest that investors will, broadly, use the change in the Unit's value over the tax year to calculate their assessable income for that Unit. For individual investors, the tax paid will generally be spread over a number of years to reflect the investor's cash flow.

Where it is possible to obtain market valuations of investments (which we believe will be possible in the case of units in the Trust), the annual tax liability proposed for individuals will be based on the lower of 6% of the value of the units at the beginning of each year and the movement in value (and dividends) each year. If the movement in value in any year exceeds 6% of the opening value for that year, that excess is carried forward to become part of the calculation for the following year. A loss would arise if the movement in value is negative. The Government proposes to allow a loss up to the deemed amount that would have been taxable (again 6%). When the units are sold or redeemed, the difference between the sale price or redemption value and the value at the beginning of that year of sale will be taxable (or deductible in the case of a loss) in that year unless the sale proceeds are reinvested in other foreign share investments in which case the tax on any final gain or loss is deferred until proceeds of foreign investments are returned to New Zealand.

It should be noted again that these are only proposals at this stage.

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 Liontamer 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:** You are exposed to the potential credit risk that the Note Issuer is put into liquidation or is unable to meet its obligations under the conditions of the Notes, as described above. The Note Issuer has a current long term credit rating of AA (as published by Standard & Poor's) and Aa1 (as published by Moody's Investors Service). Other than in the exceptional circumstances described in the Prospectus, the Trust is liable for any liabilities, obligations or debts incurred by Liontamer when it is acting for and on behalf of the Trust;
- **General market risks:** Returns from sharemarket linked investments may fluctuate significantly and affect the Index Linked Return on the Capital Protection Maturity Date;
- **Liquidity:** Liquidity risk exists due to the quarterly nature of redemptions and repurchases which are at Liontamer's discretion; 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 page 8.

The principal risks involved with early redemption or repurchase relate to:

- **General market risks:** Market conditions at the time you wish to redeem or request the repurchase of your Units, may affect the return on your Investment Amount. The early redemption or repurchase price will be calculated based on the then market value of the Notes as provided by the Note Issuer. This market value is affected by the performance of the Index, market volatility, time left to maturity and the level of interest rates. It is possible that you will receive an amount less than the price you paid for your Units and in addition, an Exit Fee applies before the Capital Protection Maturity Date;
- **Early termination and redemption of the Units by Liontamer:** If Liontamer elects or is required to terminate the Trust and redeem the Notes prior to the Capital Protection Maturity Date returns may be affected, see "Can the investment be altered?" on page 10. In this case you will receive an amount equivalent to the fair value of the Notes as determined by the Note Issuer, which may be less than the amount you paid for your Units;
- **Early termination or redemption of the Notes by the Note Issuer:** This would cause Liontamer to exercise its right to terminate the Trust, see "Can the investment be altered?" on page 10, in which case you will receive an amount equivalent to the fair value of the Notes as determined by the Note Issuer which may be less than the amount you paid for your Units due to market conditions;
- **Capital protection:** Capital protection of the Notes applies only on the Capital Protection Maturity Date; and
- **Changing to Australian residency:** Changing to Australian residency or becoming domiciled in Australia could change your taxation treatment and could impact on the taxation treatment of other Unitholders or of the Trust, in which case Liontamer will redeem or repurchase your Units early.

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 12.

Underlying securities (Notes)

If you would like more information about the risks relating to the Notes, you can request a copy of the Note Issuer's Pricing Supplement (when available) from Liontamer by contacting Liontamer Investor Relations, see "Who do I contact with enquiries about my investment?" on page 12.

Australian residency

If you think you might move to Australia, this investment is not going to be suitable for you as your Units will be redeemed or repurchased and capital protection doesn't apply until the Capital Protection Maturity Date, so your move could cause you to get back less than you invested.

If you do become tax resident in Australia during the term of the investment, what can you do?

- (a) Transfer your Units to another family member who is not tax resident in Australia before you move (contact your financial adviser or Liontamer to do this); or
- (b) If this is not possible, Units will have to be redeemed or repurchased by Liontamer immediately. If Liontamer can find another buyer for your Units Liontamer will repurchase them, if not they will be redeemed. In both cases you will only get the early exit value of the Units (no capital protection) and you will also pay any applicable Exit Fee. This means you may get back less than you invested.

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 Liontamer 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 Capital Protection Maturity Date. 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:

- Liontamer;
- 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?

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

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

- minimum investment amount, the minimum number of Units for which a redemption or repurchase request may be given, and the minimum number of Units which a Unitholder must retain following a redemption or repurchase;
- 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);
- distribution dates that apply to the Trust (by giving not less than one month's prior written notice to Unitholders);
- investment policy at any time (subject to restrictions set out in the Trust Deed);
- terms of any Units, by way of Liontamer 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, Liontamer must obtain approval by extraordinary resolution at a meeting of Unitholders; and
- Liontamer may terminate the Trust at its discretion, at any time, by giving Unitholders not less than 30 days' written notice of termination. Liontamer anticipates that it will only exercise this right if, for example, the Note Issuer exercises its right to terminate or redeem the Notes early, or in the unlikely event that there are changes in the law or generally that significantly and adversely affect Unitholders.

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

Liontamer may alter the terms in certain other circumstances such as to correct manifest error or if the change is necessary (in Liontamer'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) 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.

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. In this event, Liontamer will refund your Application Amount but without any Early Bird Interest which will be distributed across all other investors.

Early redemption or repurchase process

Your investment in the Trust is a hold-to-maturity investment designed to be held until the Capital Protection Maturity Date at which time you are able to redeem or request the repurchase of your Units at the Investment Amount for those Units.

You are entitled to request an early redemption or repurchase of all or part of your investment prior to the Capital Protection Maturity Date by following these steps:

Step 1: Contact your financial adviser who will provide you with an indicative Unit price that takes into account the relevant Exit Fee, see "What are the charges?" on page 6.

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 12. The request must be received by Liontamer Investment Services Limited no later than 10 days prior to the end of the relevant quarter. Please note that redemption and repurchase requests should not be sent to BK Registries Limited.

Step 3: If you request a repurchase (rather than a redemption), Liontamer will attempt to sell your Units and your financial adviser may also place the Units with another investor. The price your Units are sold at will be the most recent exit price preceding the date your request is received (as advertised at www.liontamer.com) less the Exit Fee, see "What are the charges?" on page 6. You will be required to complete an "Off-Market Transfer Form" available at www.liontamer.com

Step 4: If a buyer can't be found, the Units will be redeemed. In this case, no Off-Market Transfer Form is required to be signed.

Step 5: Requests will be processed at the end of each calendar quarter (or earlier if Liontamer is able to find a matching purchaser for the Units, see Step 3 above).

Step 6: The early redemption or repurchase proceeds will be paid to you within 10 Business Days of the end of the relevant calendar 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 (as there is no capital protection until the Capital Protection Maturity Date) and the Exit Fee.

Please note that:

- early redemption or repurchase requests must be for at least 4,850 Units and must be a complete disposal or result in a Unitholder holding at least 4,850 Units in the Trust, unless otherwise approved by Liontamer;
- Liontamer may, at its discretion, require a redeeming Unitholder to transfer the relevant Units to a person nominated by Liontamer;
- the actual early redemption or repurchase price may differ from the indicative early redemption or repurchase price due to changes in market conditions at the end of the relevant calendar quarter and the date the indicative price was provided;
- the early redemption or repurchase price will be calculated based on the then market value of the Notes as provided by the Note Issuer and the Exit Fee, see "What are the charges?" on page 6. The Note Issuer has agreed to redeem the Notes for minimum parcels from the Trust of the equivalent of 4,850 Units at the end of each calendar quarter;
- if Liontamer receives early redemption or repurchase requests that relate in aggregate to more than 5% of the Units on issue in the Trust, Liontamer may elect to redeem or repurchase only 5% of the Units on a pro rata basis. The percentage figures may be altered by Liontamer upon notification to Unitholders. Any Units that are not redeemed or repurchased will be carried forward to the next redemption or repurchase date and will receive first priority; and
- if any early redemption or repurchase would cause any material prejudice to remaining Unitholders or to the Trust, Liontamer may, in its entire discretion, decline to action the early redemption or repurchase request.

The Note Issuer's right to redeem

In certain circumstances the Note Issuer will have the right to redeem the Notes prior to the Capital Protection Maturity Date. These circumstances include a change in law or a force majeure event that make it impractical or impossible for the Note Issuer to perform its obligations in respect of the Notes and are detailed in the Prospectus.

If the Note Issuer exercises any of its early redemption rights, the Note Issuer will redeem all Notes and pay to the Trust an early redemption amount, determined in accordance with the conditions of issue of the Notes. Liontamer will then terminate the Trust as discussed under "Can the investment be altered?" on page 10.

Extension of Investment Period at maturity

If Liontamer has decided to extend the Investment Period, Liontamer will send you a letter 30 days before the Capital Protection 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 Capital Protection Maturity Date, if you wish to retain your Units or to instruct Liontamer to redeem or repurchase your Units on the Capital Protection Maturity Date. If no such advice has been received by this date, Liontamer will repurchase your Units notwithstanding the extension of the Investment Period.

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

- of the Index Linked Return paid to you on the Capital Protection Maturity Date;
- reinvested for the new Investment Period; and
- paid to your nominated bank account if you have decided to redeem or sell your Units at that date.

No extension of Investment Period at maturity

If Liontamer has decided not to extend the Investment Period, Liontamer intends to send you a letter before the Capital Protection Maturity Date indicating your returns and asking for your instructions regarding the redemption or repurchase of your Units at maturity.

If you have not instructed Liontamer in terms of the redemption or repurchase of your Units your funds will be invested in an interest bearing deposit account until you request redemption or repurchase of your Units.

Transfer of Units

Your Units in the Trust can be sold or transferred to another person prior to the Capital Protection Maturity Date on the following basis:

- the prior written approval of Liontamer must be obtained. This approval is at the absolute discretion of Liontamer;
- although there is not an established market for these sales in Liontamer's opinion, Liontamer will endeavour to match buyers and sellers where possible;
- you will be required to complete an "Off-Market Transfer Form" available at www.liontamer.com;
- if Liontamer arranges a match between buyers and sellers it will charge a fee of 4% of the value of the Units to be sold, which includes 2% brokerage (which can be waived by the financial adviser) if a financial adviser is involved. If no financial adviser is involved, the full 4% fee will be retained by Liontamer for its benefit; and
- the seller of Units must also pay the relevant Exit Fee.



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
Toll free: 0800 210 450
Fax: 09 309 6438

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: 09 522 8056
Fax: 09 522 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: 04 474 3753
Fax: 04 474 3839

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 is contained in the Prospectus, Trust Deed, Deed of Participation, the Note Issuer's Pricing Supplement (when available), 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 period) and other documents of, or relating to, the Trust are filed on a public register of the Auckland Companies Office and are available for public inspection after payment of a fee for photocopying or related costs at Auckland Companies Office, Level 5, 3 Kingston Street, Auckland.

Where documents are not available for viewing on the website, they can be requested by contacting Searchlink at info@searchlink.co.nz or telephoning the Companies Office Contact Centre on 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 (if applicable);
- amount of Early Bird Interest earned during the Offer period;
- amount of withholding tax deducted from the 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
- Capital Protection Maturity Date.

Information about the Trust, including this Investment Statement, the 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 will hold a meeting of Unitholders on 6 December 2005 and intends to hold a meeting of Unitholders in December 2006. Thereafter, any meetings will be held at Liontamer's discretion.

Every Unitholder is entitled to free copies of the Prospectus (and associated documents), annual audited financial statements (upon completion of each 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, the Note Issuer's Pricing Supplement (when available), 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 stated under "Who do I contact with enquiries about my investment?" on this page.



JAPAN SHOWS ITS MUSCLE



JAPAN SHOWS ITS MUSCLE

DIRECTORY

Manager & Trustee in New Zealand

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

Legal & Tax Adviser in New Zealand

Bell Gully
48 Shortland Street
AUCKLAND
NEW ZEALAND

Auditor in New Zealand

PricewaterhouseCoopers
188 Quay Street
AUCKLAND
NEW ZEALAND

Statutory Supervisor in New Zealand

New Zealand Permanent Trustees Limited
Level 10
141 Willis Street
WELLINGTON
NEW ZEALAND

Custodian in New Zealand

The New Zealand Guardian Trust Company Limited
48 Shortland Street
AUCKLAND
NEW ZEALAND

Registrar in New Zealand

BK Registries Limited
PO Box 384
ASHBURTON
NEW ZEALAND

Manager & Trustee in Australia

Liontamer Investment Management Pty Limited
Level 4
6-8 Underwood Street
SYDNEY NSW 2000
AUSTRALIA

Legal & Tax Adviser in Australia

Blake Dawson Waldron
Level 37
Grosvenor Place
225 George Street
SYDNEY NSW 2000
AUSTRALIA

Registrar in Australia

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

You should direct all enquiries to either your financial adviser or Liontamer Investor Relations by phoning 0800 210 450 or writing to Liontamer Investment Services Limited, PO Box 2002, Shortland Street, Auckland or emailing info@liontamer.com

LIONTAMER  **PROTECTED INVESTMENTS**
Capital protected investment program providing investors with innovative solutions for investing in international financial markets
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