

Money at Work: Liontamer Global Series 3

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What is it called and what sort of savings product is it?

Liontamer Global Series 3 is a capital protected unit trust that makes investments in international shares.

What is the company behind the product?

Liontamer Investments is a boutique fund manager that is the leading exponent of these sorts of structured funds in New Zealand. The capital protection is being provided by Barclays Bank, which has a Standard and Poors' AA rating.

Who is the target market of this unit trust?

People who want international share exposure, but are a little risk adverse.

What return does it offer?

The fund doesn't have a targeted return. However, it has protection against falls. Investors can choose to have either 90 per cent or 100 per cent of their capital protected. On the upside, the funds have booster elements that accelerate their gains.

When was it launched?

The fund opened last week and closes to new investment on July 20.

What other products are this unit trust like, or what is it competing with?

It competes with other international share funds, but differs itself with its capital protection and investment universe. The index this fund tracks is made up of 25 per cent weighting to each of Japan, Europe and the United States, 15 per cent to the United Kingdom and 5 per cent each to Hong Kong and Switzerland.

Is this unit trust a long-term, short-term or medium-term investment?

This fund like other Liontamer ones has two terms, namely four and five years.

What is the unique selling point of this product?

The fund provides security of invested capital but is also offering good diversification along with growth potential. It is seen as a fund with excellent return prospects for the level of risk. The two classes of unit caters for cautious or aggressive investors.

How strong a stomach do you need for it?

For a share fund it is pretty low risk investment.

What's the hitch or hitches, if any?

There aren't too many hitches with this capital protected unit trust. The main ones include investors' capital being tied up for either four or five years, and there are penalties for early redemption.