

Money at work: **Liontamer BRICK Series 1**

Sunday March 04, 2007

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

The Liontamer BRICK Series 1 is a capital protected fund investing in the exciting emerging economies of Brazil, Russia, India, China and South Korea (BRICK).

Who is the company behind it?

Liontamer is a pioneer of capital protected investments here. BRICK is protected by UK bank Barclays, which has an AA Standard & Poor's rating.

Who is the target market?

This fund suits investors wishing to have exposure to the growth sectors of the international market but who also want to limit potential losses. BRICK Series 1 offers two levels of capital protection at maturity (the option of full protection or 90 per cent) plus the added benefit of protection from currency fluctuations.

What return does it offer?

The fund offers two levels of return linked to the BRICK Index, which has an 80 per cent exposure to the economies of Brazil, Russia, India and China via their 40 largest companies. The balance of the index consists of a 20 per cent weighting to South Korea. The index-linked returns are based on the type of unit; base or booster. Base units offer 100 per cent capital protection and 90 per cent of the rise in the BRICK Index. Booster units offer 90 per cent capital protection and 120 per cent of the rise in the index.

What other products is it like or is it competing with?

Liontamer believes this is the first fund of its kind to invest in a pure BRICK in New Zealand. There are a lot of similarities with term deposits in that there is a fixed term. The OM-IP2Eclipse offer is similar. It is cap guaranteed although, as it is a hedge fund, its underlying structure is different.

Is it long term, short term or medium term?

It has a term of five years.

What are the selling points?

The capital protection component, exposure to the emergent economies, an early maturity feature, the opportunity to boost returns and no annual fee.

How strong a stomach do you need for it?

No strong stomach required.

What's the hitch?

If the index does not rise (unlikely but possible), then inflation will have eaten away at the real value of the investment.