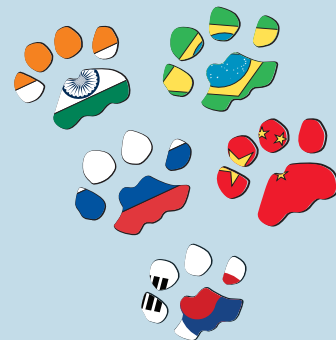


BRICK Series 1

Brazil, Russia, India, China and Korea



Building growth and opportunity

Every few decades, a seismic shift occurs in the world economy that has far-reaching implications. The rise of the US economy in the late 19th century, the post-war rebuilding of Japan and Western Europe and the growth of East Asia have all been events of this kind. In 2003 Goldman Sachs speculated that the rise of Brazil, Russia, India and China (the BRICs) could be the same kind of transforming event¹.

Liontamer offers two funds that access this growth story with the added benefit of capital protection*.

CRUDE: oiling the wheels of industry

The BRIC economies are undergoing a period of rapid industrialisation. We've already seen evidence of global demand for commodities, stimulated by emerging markets. BRIC demand for commodities, especially oil, is not expected to subside any time soon; on the contrary, China's demand for oil may rise from its current consumption of 8-9% of annual world demand, to a peak of around 16.5% by 2029, while India's share could nearly double during that same period¹. Commodities are fuelling industry in the BRIC economies, generating jobs and creating wealth.

CARS: moving on up

Throughout the BRICs a growing middle-class, with rising incomes, are looking to spend their new cash. Given the demographics of the BRIC countries that's a lot of money available to support farmers,

manufacturers and retailers. Demand for cars is expected to be a key indicator of this increase in consumption. Car ownership in China could increase nearly threefold in the next decade alone. China and India may soon emerge as the world's largest auto markets. Meanwhile in Russia, car numbers could double in less than a decade¹.

CAPITAL: money follows money

The BRICs' role in global equity markets could increase from currently a mere 3.5% to around 10% in fewer than 15 years. Less government intervention and an opening up of capital markets, such as we have already seen in India, could see the BRIC markets accounting for up to 16% of global capitalisation¹. The successful outcome of current growth-enhancing policies: rooting out corruption, encouraging capital investment, improving infrastructure, enhancing education and ensuring political stability would have a dramatic effect on foreign investor confidence and see even more capital flow into the BRIC markets.

KOREA: another brick in the wall?

South Korea has experienced remarkable success in combining rapid economic growth with improving social conditions. As a newly industrialised economy, Korea has transformed itself into a 'knowledge economy' embracing good economic policies, adopting a high-growth development agenda, and gaining efficiencies in its labour force. This Asian Tiger has been identified as having BRIC-like qualities and huge potential to grow its wealth.

brickseries1



5 year term

BASE UNITS

- **TERM:** 5 year investment[#]
- **INDEX:** Liontamer BRICK Index
- **MINIMUM INVESTMENT:** \$5,000
- **CURRENCY:** NZ dollars
- **100% CAPITAL PROTECTION** at maturity*. This means for each \$1 unit, \$1 is repaid at maturity
- **GROWTH:** 90% of the rise in the Liontamer BRICK Index at maturity (i.e. 0.9 times the rise)

BASE UNITS EXPLAINED

When you invest in base units you will receive 100% capital protection and 90% of the rise in the BRICK Index at maturity.

Example: over a five year period the BRICK Index rises 50% in value. Your return is calculated as 90% of that gain. So, 50% x 0.9 would equal a return of 45%. A gain of 45 cents is added to the \$1.00 of protected capital, giving \$1.45 at maturity.

$$\begin{aligned} \$1.00 + (90\% \text{ of rise in the index}) &= \text{total return} \\ \$1.00 + \$1.00 \times (50\% \times 0.9) &= \$1.45 \end{aligned}$$

brickseries1



5 year term

BOOSTER UNITS

- **TERM:** 5 year investment[#]
- **INDEX:** Liontamer BRICK Index
- **MINIMUM INVESTMENT:** \$5,000
- **CURRENCY:** NZ dollars
- **90% CAPITAL PROTECTION** at maturity*. This means for each \$1 unit, 90 cents is repaid at maturity. The extra 10 cents is used to obtain a boosted level of growth
- **GROWTH:** 120% of the rise in the Liontamer BRICK Index at maturity (i.e. 1.2 times the rise)

BOOSTER UNITS EXPLAINED

When you invest in booster units you will receive 120% of the rise in the BRICK Index at maturity. Another way of explaining this is that your returns get boosted by 1.2 times. When the BRICK Index goes up, your return goes up by even more.

Example: over a five year period the BRICK Index rises 50% in value. This means your return is boosted by 1.2 times to 60%. A gain of 60 cents is added to the 90 cents of protected capital, giving \$1.50 at maturity.

$$\begin{aligned} 90c + (\text{rise in the index} \times \text{booster}) &= \text{total return} \\ 90c + \$1 \times (50\% \times 1.2) &= \$1.50 \end{aligned}$$

¹ Goldman Sachs, Global Economics Paper No. 118 (2004) *Liontamer has the discretion to reduce or increase the maturity date by up to 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. *Capital protection at maturity means you will receive back 100% for BRICK base units, or 90% for BRICK booster units, of the combined amount invested and early bird interest (earned during the offer period) less any entry fee charged (up to 3%).

BRICK ECONOMIES IN PERSPECTIVE

The BRICK economies are so large that it's sometimes hard to grasp the enormity of the scale involved. Consider these statistics; Chinese nationals outnumber Kiwis 326 to 1, NZ would fit inside Russia 63 times over, India has over 3 million kilometres of roads (52% unpaved) and is the world's largest democracy, and the biggest exporter of Brazil nuts is... Bolivia¹.

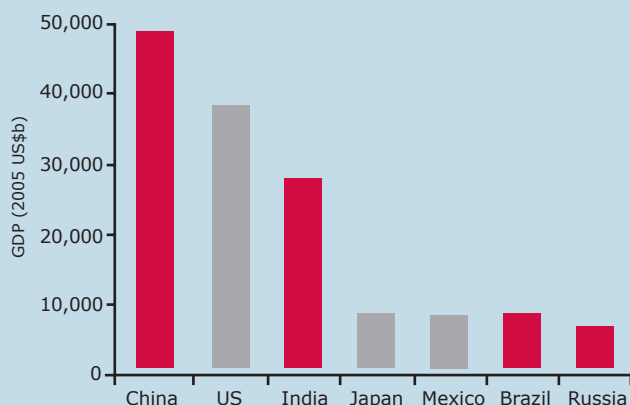
| Country | Population (millions) | GDP ² (\$NZ billion) | GDP ² growth (pa %) | Income ³ per person | Inflation ⁴ (pa %) |
|-------------|-----------------------|---------------------------------|--------------------------------|--------------------------------|-------------------------------|
| Brazil | 186 | \$1,168 | 2.3% | \$5,088 | 4.2% |
| Russia | 143 | \$1,123 | 6.4% | \$6,559 | 9.8% |
| India | 1,100 | \$1,155 | 8.5% | \$1,059 | 5.3% |
| China | 1,300 | \$3,235 | 9.9% | \$2,559 | 1.5% |
| South Korea | 48 | \$1,158 | 4.0% | \$23,279 | 3.0% |
| NZ | 4 | \$160 | 1.9% | \$38,176 | 3.8% |
| World | 6,400 | \$65,294 | 3.6% | \$10,275 | 5.4% ⁴ |

Source: World Development Indicators (WDI) Database (2005) Figures converted from US\$ to NZ\$ at a rate of 0.68c

1. CIA World Factbook (est. 2006). 2. Gross Domestic Product per annum. 3. Gross National Income per person, per annum. 4. 2005 figure

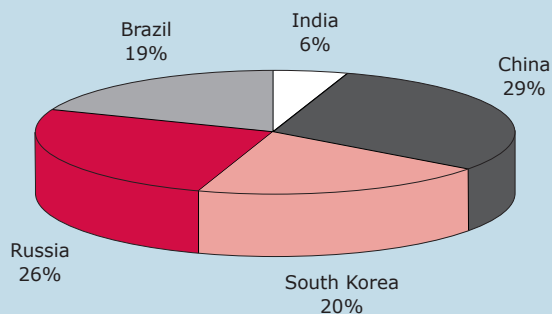
THE LARGEST ECONOMIES IN 2050?

Today the largest economies in the world are the US, UK, Germany, France, Italy and Japan, but by 2050 experts expect this to change dramatically. As the chart below shows, the BRIC countries have the ability to displace today's giants.



THE LIONTAMER BRICK INDEX

The Liontamer BRICK Index has an 80% exposure to the four main BRIC economies. It does this via the 40 largest companies in these countries. The balance of the index consists of a 20% weighting to South Korea.



HOW AM I PROTECTED?

The capital protection is possible because the fund will own investments which are either 90% or 100% protected at maturity by the UK bank 'Barclays' (known as 'the note issuer'). The financial strength of a bank is vital, as the investment is subject to Barclays' credit risk. They have a Standard & Poor's credit rating of AA (similar to major New Zealand banks). They are legally liable to repay the investments owned by the fund and all returns made by those investments.

WHAT ELSE DO I NEED TO KNOW?

EARLY MATURITY FEATURE: if the financial instruments underlying the fund reach a value of \$1.80 in the first three years, they will be liquidated and the fund will mature early. This provides a way for investors to exit if there is exceptional performance.

EARLY EXIT: this is a hold-to-maturity investment and capital protection only applies at the end of the term. Early exits are possible at the redemption value of the notes in exceptional circumstances and you may get back less than you invested. An exit fee of 2% will apply. You should contact your financial adviser in these circumstances.

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

FIXED RETURN: 0.05% p.a. paid annually on 30 June each year. Equivalent to \$2.50 p.a. on each \$5,000 invested.

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 between the New Zealand dollar and currencies of the BRICK Index.

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 can contact Liontamer on 0800 210 450 or email: adviser_relations@liontamer.com

LIONTAMER'S CREDENTIALS

As a fund manager, our expertise is the backbone of our business. When it comes to structuring capital protected investments, it's paramount. We believe our depth and breadth of both experience and skills are unmatched in the NZ retail market. Combine that with a proven track record of 18 funds and we're leading the way. We've received accolades both locally and internationally. Liontamer was voted one of New Zealand's most exciting companies by the National Business Review (NBR) and our Managing Director has been named one of New Zealand's most influential people in financial services (Asset Magazine). Asia Risk Magazine headlined Liontamer as a "Roaring Success".

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 210 450. Although the Note Issuer is legally liable to repay the investments owned by the trust and all returns on those investments, neither the Note Issuer nor any other entity guarantees the repayment of units or any returns on the units, nor accepts any other liabilities to unitholders. Past performance of the BRICK sharemarkets should not be used as a guide to future performance. February 2007.