

IMPORTANT NOTES FOR INVESTORS

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STATEMENTS CONTAINED HEREIN AS TO THE CONTENTS OF ANY AGREEMENT OR OTHER DOCUMENTS ARE SUMMARIES AND, THEREFORE, THE DISCLOSURE OF THE TERMS THEREOF IS NECESSARILY SELECTIVE AND INCOMPLETE. COPIES OF THE DOCUMENTS REFERRED TO HEREIN MAY BE OBTAINED FROM KONTIKI FUND LIMITED, AND ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF KONTIKI FUND LIMITED.

NO ADVERTISING OR OFFERING LITERATURE IN ANY FORM MAY BE EMPLOYED IN THE OFFER OF THE SHARES, EXCEPT IN THIS MEMORANDUM. NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER, UNDER ANY CIRCUMSTANCES SHALL CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION CONTAINED HEREIN SINCE THE DATE HEREOF. HOWEVER, IN THE EVENT OF ANY MATERIAL CHANGE, THIS MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

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AN INVESTMENT IN KONTIKI FUND LIMITED INVOLVES A HIGH DEGREE OF RISK AND ONLY PERSONS WHO ARE ABLE TO BEAR THE FINANCIAL RISK OF A COMPLETE LOSS OF THEIR INVESTMENT SHOULD CONSIDER PURCHASING THE SHARES. SEE "RISK FACTORS". THERE IS NO PUBLIC OR OTHER MARKET FOR THE SECURITIES OF KONTIKI FUND LIMITED, NOR IS SUCH A MARKET EXPECTED TO DEVELOP. AN INVESTOR MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT AND TO RETAIN SUCH INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. ACCORDINGLY, IN DETERMINING WHETHER AN INVESTOR CAN BEAR THE ECONOMIC RISK OF THIS INVESTMENT, AN INVESTOR

SHOULD CONSIDER, AMONG OTHER FACTORS, WHETHER SUCH INVESTOR CAN AFFORD TO HOLD SUCH SHARES FOR AN INDEFINITE PERIOD, AND WHETHER AT THE TIME OF INVESTMENT SUCH INVESTOR CAN AFFORD A COMPLETE LOSS OF HIS OR ITS INVESTMENT.

IF ANY PERSON ELECTS NOT TO MAKE AN OFFER TO ACQUIRE SHARES OFFERED HEREBY OR SUCH OFFER IS REJECTED IN WHOLE BY KONTIKI FUND LIMITED, SUCH PERSON, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN THIS MEMORANDUM AND ALL RELATED DOCUMENTS ENCLOSED HERewith OR FURNISHED SUBSEQUENTLY, TO KONTIKI FUND LIMITED AT ITS OFFICES, THE ADDRESS OF WHICH IS SET OUT IN THE DIRECTORY ON PAGE 4 OF THIS MEMORANDUM.

SALES OF THE SHARES CAN BE CONSUMMATED ONLY BY ACCEPTANCE BY KONTIKI FUND LIMITED OF OFFERS TO PURCHASE SUCH SHARES WHICH ARE TENDERED BY PROSPECTIVE INVESTORS. NO SOLICITATION OF ANY SUCH OFFER TO SUCH PROSPECTIVE INVESTORS IS AUTHORISED WITHOUT THE PRIOR APPROVAL OF KONTIKI FUND LIMITED. KONTIKI FUND LIMITED SHALL, PRIOR TO THE SALE OF ANY SHARE, ALLOW EACH INVESTOR OR HIS OR ITS AGENT, REPRESENTATIVE, ACCOUNTANT OR ATTORNEY THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM ANY PERSON AUTHORISED TO ACT ON BEHALF OF KONTIKI FUND LIMITED CONCERNING ANY ASPECT OF THE INVESTMENT AND TO OBTAIN ANY ADDITIONAL INFORMATION (TO THE EXTENT KONTIKI FUND LIMITED POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE) NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. INVESTORS OR THEIR REPRESENTATIVES HAVING QUESTIONS OR DESIRING ADDITIONAL INFORMATION SHOULD CONTACT THE ADVISOR AT ITS OFFICES.

PROSPECTIVE SUBSCRIBERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE ADVISOR OR KONTIKI FUND LIMITED AS TAX OR LEGAL ADVICE. THE SUMMARY OF INCOME TAX CONSEQUENCES SET FORTH IN THIS MEMORANDUM IS NOT INTENDED TO BE A COMPLETE SUMMARY OF THE TAX CONSEQUENCES OF THIS INVESTMENT AND IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, PROSPECTIVE SUBSCRIBERS ARE ADVISED TO CONSULT WITH THEIR OWN TAX COUNSEL, LEGAL COUNSEL AND OTHER PERSONAL ADVISORS CONCERNING THE TAX AND LEGAL ASPECTS OF THE PURCHASE AND OWNERSHIP OF SHARES AND POTENTIAL CHANGES IN THE APPLICABLE LAW AND RELATED MATTERS BEFORE INVESTING IN KONTIKI FUND LIMITED.

KONTIKI FUND LIMITED RESERVES THE RIGHT, IN ITS SOLE DISCRETION AND FOR ANY REASON WHATSOEVER, TO ACCEPT OR REJECT ANY SUBSCRIPTION FOR SHARES.

CONTENTS

DIRECTORY.....	4
KEY FEATURES OF THE KONTIKI FUND	6
DIRECTOR PROFILES	7
THE KONTIKI FUND - OVERVIEW.....	10
KONTIKI FUND STRUCTURE	13
GOALS AND CONCEPT OF THE KONTIKI FUND	14
INVESTMENT PROCESS	16
KONTIKI FUND - INVESTMENT PARAMETERS AT A GLANCE.....	18
STRATEGIC ALLIANCES AND BUSINESS RELATIONSHIPS	18
WHAT DIFFERENTIATES THE KONTIKI FUND?	19
RISK FACTORS	21
INVESTOR INFORMATION	24
OTHER INFORMATION	30
GLOSSARY	37
KONTIKI FUND APPLICATION FORM	39
SUBSCRIPTION STATEMENT	43

DIRECTORY

The Fund

Kontiki Fund Limited
c/o Bermuda Trust (Cook Islands) Ltd
Bermuda House
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Cook Islands

Directors of the Fund

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Iain Little MA (Camb)
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c/- Kontiki Capital Ltd
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Email: theseus@tmx.com.au

Daryl Tarte
Non-Executive Director
30 Deovji Street
Tamavua
Suva
Fiji

Administrator

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Level 4, Plaza 1, FNPF Boulevard
33 Ellery Street
Suva, Fiji

Safe Custody Bank

Westpac Banking Corporation
1 Thompson Street
Suva
Fiji

Auditor of the Fund

PricewaterhouseCoopers
Level 8, Civic Tower
PO Box 200
Suva

Legal Counsel

Clarkes P.C.
Parekura Place
Ararua
Rarotonga
Cook Islands

Bankers

Bank of New Zealand
Stock Exchange Centre
Queen Street
Auckland
New Zealand

Westpac Banking Corporation
1 Thompson Street
Suva
Fiji

KEY FEATURES OF THE KONTIKI FUND

Minimum Initial Subscription Amount	US\$100,000 (or such other lesser amount as agreed by the Manager).
Minimum Additional Subscription Amount	US\$25,000 (or such other lesser amount as agreed by the Manager).
Fees Payable by the Investor to the Fund	An entry fee of 2% of the Subscription Amount is charged. An exit fee of 2% of the Redemption Amount is charged on shares being redeemed from the Fund. If an investor redeems shares within 12 months of subscribing for them only 90% of the Redemption Amount (less the exit fee) will be payable. These fees are paid to the Fund, not the Manager or Advisor.
Fees Payable by the Investor to the Manager	A selling fee of 1.5% of the subscription amount is deducted before the issue of shares.
Fees Payable by the Fund to the Manager	A management fee of 1.5% per annum of the Net Asset Value of the Fund is payable from the Fund to the Manager monthly in arrears. A performance fee of 20% per annum of the gain on Net Asset Value of the Fund during a 12 month period after covering any net accumulated losses in the Net Asset Value of the Fund. The fee accrues quarterly and is payable from the Fund to the Manager quarterly in arrears.
Fees payable by the Fund to the Administrator	The Administrator's fee is a monthly fee of F\$1,000.00 plus out-of-pocket expenses and value added tax. In addition the Administrator may charge services additional to those specified in the Administrator Agreement on an hourly basis as its usual professional rates.
Redeeming shares	Shares may be redeemed from the Fund by lodging a written application for redemption with the Administrator. The Administrator will make payment of the Redemption Amount within 90 days of receipt of the redemption notice subject to the provisions in this Memorandum relating to transfer of investments and suspension of redemptions.
Reinvestment of Income	All income of the Fund will be reinvested in the Fund.
Reports to Shareholders	The Annual Report of the Fund will be sent to shareholders within five months of the end of each financial year of the Fund. Investor reports will be sent to investors quarterly and will be available on a web site which the Fund intends to establish.
Share Pricing	The price for a share in the Fund is calculated and based on the Net Asset Value of the Fund on the most recent Fund Valuation Date.
Investor Security	To protect the rights and interests of shareholders, an independent administrator, safe custody bank and auditor have been appointed.
Information	If investors require further information on the Fund they should call the Administrator, Kontiki Portfolio Services Ltd (KPSL) in Suva 679 307-284 (facsimile 679 307-241).
How to Invest	Complete the subscription application form and subscription statement, attach a cheque or bank draft for the subscription amount made payable in US dollars to Kontiki Fund Limited and post it to the Administrator at Level 4, Plaza 1, FNPF Boulevard, 33 Ellery Street, Suva, Fiji. Alternatively, payment can be made by telegraphic transfer to the bank listed below: Name of Bank: Bank of New Zealand City: Auckland Country: New Zealand Branch Number: 160 Account Name: Kontiki Fund Limited Account Number: F659915-0000 / F659915-0001 In the case of payment by telegraphic transfer a copy of the application form should be faxed to the Administrator, KPSL at 679 307-241.
Important Information	No guarantees of capital or earnings are given. The share prices reflect the value of the underlying investments and may fluctuate upwards and downwards.

DIRECTORY

John Courtney

Executive Director of the Fund and the Manager, and Managing Director of the Advisor

John spent 17 years working in Asia, Europe and the US, first as an analyst and subsequently as an advisor on institutional investment in Asia and Japan. John earned his Masters degree in Economics from the London School of Economics and started with Hoare Govett as an analyst in 1980 covering Hong Kong - principally utility and shipping industries - before switching to Asian sales in London becoming an associate director. In 1985 John moved to WI Carr and shortly after to Tokyo. At WI Carr John was a director and head of Japanese equity sales in Tokyo from 1987-92. In 1993 John moved again to New York and Goldman Sachs as Vice President and co-head of Japanese equity sales, where he worked until June 1997. John is also completing his MBA over the internet with the Fuqua School of Business, Duke University. John set up a private investment company with a group of investors which purchased resort real estate in Fiji in 1987. John has maintained a close interest in the region and has been a regular visitor for the past 12 years. He now resides in Suva and advises and manages the Fund.

Iain Little

Non-Executive Director of the Fund and the Manager

Iain is an investment manager with Edinburgh Funds Managers Ltd. Prior to this, he was an investment manager at Blakeney Management, the leading investment advisor in Sub-Saharan Africa and the Middle East, has offered to act as advisor and consultant on asset allocation for the Fund. Iain has had considerable investment management experience working in Asia and Africa. Iain received his MA from Cambridge in 1977 and studied law at the London College of Law. He joined Kleinwort Benson in 1979, as an investment analyst and later investment advisor in London and Hong Kong, before working for Pictet in Geneva, London and then Tokyo, where he was responsible for asset allocation and international management. In 1995 Iain joined Blakeney, where he currently specializes in African and Mediterranean markets. Iain will monitor and advise on portfolio structure as well as sharing insights gained from other early stage emerging markets.

Jack Lowenstein

Director of the Fund and the Manager and Chairman of the Advisor

Jack is a Corporate Consultant to Hunter Hall Investment Management Limited. Hunter Hall is Australia's largest ethical funds manager. Prior to joining Hunter Hall Jack worked for five years in corporate finance in Australia, specialising in corporate advice and equity raisings for small to medium size companies. He is a director of Kresta Holdings Ltd, a window furnishing company listed in Australia Reinsurance Australia Corporation Ltd and is also a director of Udu Resources Ltd, an unlisted company exploring for base metals in the Fiji Islands. Before joining the stock broking company Burrows Limited (now owned by Merrill Lynch, Inc.), Jack was a journalist with Euromoney Publications Plc. based in Sydney with responsibilities for reporting on economic and capital market development in Australasia and the developing countries in Asia, including Fiji. Jack was educated at St Edmund Hall, Oxford University from where he was awarded an MA (Oxon). He advises and manages the Fund.

Daryl Tarte

Non-Executive Director of the Advisor

Daryl, the Industrial Commissioner of the Fiji Sugar Tribunal, is a citizen of Fiji. Daryl was Secretary to the Sugar Board and Sugar Advisory Council (1968-80), Executive Vice-Chairman of the Sugar Board (1980-85), and Acting Independent Chairman of the Sugar Industry at various times between 1976 and 1983. He was Acting Chairman of Four Mill Supply Committees between 1981 and 1983, editor of ifFiji SugarIn (1976-1985) and Acting Manager of the Sugar Cane Growers Fund Authority (1983-85). He is currently a member of the Sugar Commission of Fiji and of the Four Mill Area Committees. Daryl is a director of several companies, including CMLA Society Limited and Placer (Pacific) Fiji Limited.

THE KONTIKI FUND - OVERVIEW

What is the Kontiki Fund?

Kontiki Fund Limited (the "Fund") is an investment company incorporated on 25 March 1998 in the Cook Islands, under the International Companies Act 1981-82 for the purpose of investing in companies and businesses located in or connected with the region of Oceania. The Fund was incorporated with an authorised share capital of US\$100,000,000. The Fund's issued capital shall at all times be equal to the Net Asset Value of the Fund. The Fund is governed by its Memorandum and Articles of Association and by Cook Islands law.

What is the Investment Objective of the Kontiki Fund?

The principal investment objective of the Fund is to achieve above average long term capital growth for investors with investment time-frames of three to five years. The Fund intends to achieve this objective primarily by investing in emerging growth businesses in the Oceanic region.

Who Manages the Kontiki Fund?

Kontiki Capital Management Limited (the "Manager"), a company incorporated on 25 March 1998 in the Cook Islands, is responsible for the active management of the Fund. The Manager has been engaged by the Fund under the terms of a Management Agreement dated 31 March 1998. In carrying out its duties the Manager will be directed by the goals of the Fund.

Under the terms of the Management Agreement the Manager will:

- Make the investment decisions of the Fund.
- Effect investments on behalf of the Fund.
- Assist the Administrator with the preparation of valuations of the Net Asset Value of the Fund.
- Assist the Administrator with the calculation of the relevant share issue prices and Redemption Amount.
- Supervise the keeping of financial records of the Fund.
- Prepare or procure the preparation of quarterly reports of the Fund.
- Market the Fund.
- Take all reasonable steps to promote the interests of the Fund.
- Report to and supply information to the Fund as and when required by the Fund.
- Provide other services to the Fund under the terms of the Management Agreement.
- Search for, identify and research prospective investments for the Fund.
- Undertake risk testing including simulation modeling where possible and appropriate.
- Provide investment advisory services to the Fund.

The Manager has subcontracted its investment advisory duties (encapsulated in the last three responsibilities listed above) to Kontiki Capital Limited (the "Advisor") under the terms of a Subcontract dated 31 March

1998. Due to the embryonic nature of some markets in the region, an advisory role may be necessary to assist governments, companies and businesses become aware of and develop their options. The Advisor believes that its advisory role will offer the Fund an opportunity to take advantage of some of the market inefficiencies in the Oceanic region. The Advisor's role should mean that the Fund is well placed to take advantage of opportunities in these markets.

The Advisor has been authorised by the Fiji Trade and Investment Board to trade as a foreign company in Fiji. In addition, on 30 March 1998 the Advisor was granted an investment advisors licence by the Fijian Capital Markets Development Authority. This licence, authorises the Advisor to provide investment management advice and research to the Fund.

The Advisor might, subject to regulatory approval, provide investment advisory services to third parties but will not do so in a manner which prejudices the interests of the shareholders of the Fund.

Who provides Administrative Services to the Kontiki Fund?

Kontiki portfolio Services Ltd, Fiji (the "Administrator") has been engaged by the Fund to provide administrative services to the Fund under the terms of an Administration Agreement effective from 15 August 2000.

The Administrator will:

- Prepare valuations of the Net Asset Value of the Fund in consultation with the Manager.
- Assist with the administrative aspects of acquisition and disposal of Fund assets if directed by the Manager.
- Operate a bank account in Fiji on behalf of the Fund if required by the Manager.
- Process transactions including issuing and redeeming shares in the Fund.
- Calculate the relevant issue prices for shares in the Fund and Redemption Amount in consultation with the Manager.
- Create, maintain and update the share register of the Fund and be responsible for all necessary government or similar registrations.
- Maintain current schedules and details of cash and securities held by the Fund.
- Be responsible for:
 - the supply of information about the Fund to the Manager, including details of the valuations of the Net Asset Value of the Fund.
 - ensuring Fund investments are made in the name of the Fund or its nominee(s).
 - keeping the financial records of the Fund and liaising with the auditors of the Fund.
- Receive and record all corporate actions (including dividends, interest and bonuses) relating to the Fund.
- Provide such other general administrative services for the Fund as may be required by the Fund from time to time.

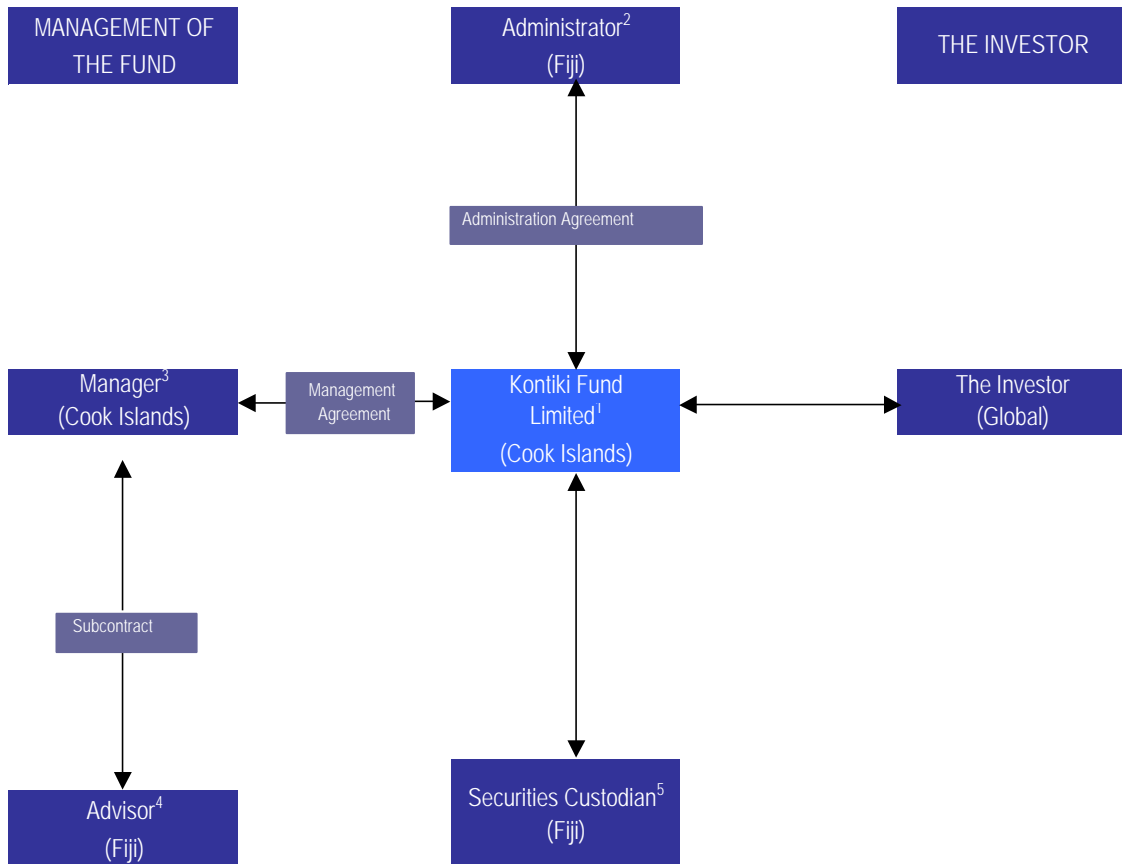
Who Provides Safe Custody Services to the Kontiki Fund?

Westpac Banking Corporation in Suva, Fiji (the "Safe Custody Bank") provides or procures safe custody in its safety deposit boxes for securities certificates comprising non-cash assets of the Fund. This bank will also provide local banking services to the Fund in Fiji.

Who are the Bankers to the Kontiki Fund?

Bank of New Zealand of Auckland, New Zealand and Westpac Bank, Fiji are bankers to the Fund.

KONTIKI FUND STRUCTURE



Notes

1. Kontiki Fund Limited is an investment company incorporated in the Cook Islands. Investors acquire shares in this company.
2. The Administrator is Kontiki Portfolio Services Ltd of Suva, Fiji. In addition to providing administrative services to the Fund, the Administrator ensures the Fund's investments are made in the name of the Fund or its nominee.
3. The Manager is Kontiki Capital Management Limited, a company incorporated in the Cook Islands. It makes all the investment decisions for the Fund.
4. The Advisor is Kontiki Capital Limited, a company incorporated in Fiji. The Manager has sub-contracted to the Advisor its responsibility for investment research, advice and recommendations.
5. The Safe Custody Bank is ANZ Bank Limited, at Suva, Fiji. It holds non-cash assets of the Fund.

GOALS AND CONCEPT OF THE KONTIKI FUND

GOALS OF THE FUND

The goals of the Fund are to:

- Generate superior long-term capital growth for investors.
- Seek high absolute returns on investments.
- Focus on emerging businesses and markets in the Oceanic region.
- Search out exceptional growth potential.
- Leverage technology transfer.
- Target undervalued assets.
- Identify outstanding management.
- Offset risk with measures to preserve capital.

CONCEPT OF THE FUND

The Fund is an open ended performance fund which targets growth with an emphasis on value. Through its active rather than passive management of money the Manager intends to achieve Fund performance by applying the disciplines listed below.

Search for Undervalued Growth Potential

The Manager will search for undiscovered, undervalued growth in emerging businesses in the Oceanic region. The Manager believes high real interest rates resulting from small fragmented and nascent capital markets have combined to create undervalued growth opportunities in the wider Oceanic region. The Manager believes that superior potential for economic growth in the region is created by deregulation, opportunity for technology transfer, remarkable tourist and natural resources and superior management of those resources. The Manager also believes relatively efficient enterprise management processes in the region remain undervalued. It is an objective of the Fund to attempt to capitalise on some of these opportunities.

Growth potential which is undervalued may be unrecognised or overlooked. The characteristics of such an investment may include restructuring, changes in a company's operating environment, unfavorable short-term conditions or management changes. The Manager's investment modeling and research disciplines will position it well to identify these opportunities.

Where possible, the Manager's ultimate goal is to seek and invest in growth companies in emerging Oceania which; sell more to existing customers, attract new customers, innovate products and services, develop new delivery systems, grow by synergistic acquisition, expand into new geographies or move into new markets.

The Manager believes that as these growth businesses evolve and seek external funding, there will be opportunities to provide this capital on attractive terms. Not all will succeed. The Manager will aim to be vigilant, analytical and decisive. The Manager will be looking for companies that meet these criteria in Fiji, Papua New Guinea, and other islands in the Oceanic region. The Manager will also look for managements elsewhere in the Oceanic region that, through their own activities, foster and project the same growth characteristics through the islands in the Oceanic region. The Manager believes economic integration through the region will accelerate some of the opportunities discussed above.

To capture this growth focus and value sensitivity, the Manager will look for energetic management that protect this growth through franchise, either by seeking exclusive license or by creating barriers with branding or differentiation.

A Value Perspective

The Manager will look at a 3-5 year time horizon for sustained returns. This will reduce the possibility of making short term switches in illiquid markets to chase quick returns. The Manager intends to capture value rather than taking the risks and receiving the poorer returns associated with fashion.

Concentration of Investments

The Manager intends to structure an initial investment portfolio of between 5 and 10 core investments in companies which have undervalued growth potential and can benefit from the opportunities discussed above. Around this, the Manager may broaden the portfolio size to around 15 - 20 companies to include a number of smaller niche investments with high growth potential. The process will be dynamic in its quest for superior performance. Core investments will be constantly evaluated and compared with other growth opportunities.

The Manager will concentrate investments in companies and markets it believes will offer the best risk/return rewards for the Fund. The target is to create above average returns by extending the investment universe, as well as capturing inefficiencies from existing opportunities in the Oceanic region. This contrasts with established processes which seek higher returns from higher risk portions of the existing investment universe. The orthodox approach implies a view that markets operate efficiently, a reasonable assumption for the Standard & Poors or Financial Times Stock Exchange indices in the United States or United Kingdom. However, it is the Manager's view that in an emerging environment the asset allocation process is not always so efficient.

Regional Opportunities

The Manager believes that profitable investment opportunities are available in the Oceanic region given its stages of economic, political and regulatory development. Opportunities could develop from a number of region-specific characteristics including the following:

- reallocation of resources from traditional low income elasticity resource industries to higher value-added service sectors;
- favourable regulatory environments relative to global competitors, for example, Fiji's tariff reduction programme;
- leapfrogging technology transfer, for example, communications networks;
- favourable fiscal environments, including selective dividend and capital gains tax exemptions;
- generous island tourism and service industry tax incentives;
- improving regional government awareness of the need for fiscal and monetary responsibility, paving the way for reduced risk premiums;
- the market development process and associated reduction in risk premium in smaller markets in the Oceanic region;
- an increase in liquidity and reduction in risk as companies in the Oceanic region realise the benefits of stock market listing; and

- the “confidence factor” as smaller markets in the Oceanic region become recognized as credible investment arenas, reducing risk premiums.

Income Distribution

The policy of the Fund is that all income will be reinvested. However, the Manager reserves the right to introduce a policy of distributing income.

INVESTMENT PROCESS

Investments

The Fund will initially invest in listed companies which distinguish themselves by their economic involvement in the Oceanic region. Oceania has a group of blue chip and specialist companies that have a long history of serving the outlying areas of the Oceanic region. It is in some of the smaller and newer specialist companies that the Manager believes some of the best valuations, exposures and opportunities lie. Many well managed companies in the Oceanic region have successfully developed franchises and competitive strengths in small South Pacific market places such as Fiji, Papua New Guinea, Samoa, Tonga, Vanuatu, New Caledonia, The Solomons and Tahiti. It is amongst these companies that the Manager will look for well-managed, undervalued investments with a view to lowering liquidity and volatility risk of the Fund.

In addition, to achieve a competitive advantage, the Fund will invest in businesses operating in emerging growth industries in the Oceanic region with special emphasis on Fiji, Papua New Guinea and smaller South Pacific nations. These investments may be listed or unlisted securities.

Investment Selection

The Manager will employ a disciplined research-intensive security selection process aimed at exploiting inefficiencies that exist both among and within security markets in the Oceanic region. Among the factors which the Manager will take into consideration are the size and liquidity of a market, the political climate, fiscal and monetary policies, economic growth and inflation of a country, and corporate profitability. However, the Manager will place greater emphasis on a thorough analysis of the individual company under review in determining its risk-return potential. This research will be supplemented by personal visits by the executive director and senior personnel of the Manager and continuing contact with local company managements.

In summary, when selecting investments the Manager looks for features which include the following:

- exceptional growth
- regional dominance
- identifiable franchise
- accountable management
- accurate disclosure

To assist with the selection of investments, the Manager will do the following:

- collect data.
- use simulation to check the discounted cash flow modeling process where appropriate and possible. This will enable the Manager to understand the effects of varying assumptions - in short it will provide the Manager with range instead of point estimates and help gauge the probabilities associated with different outcomes.
- research managements and businesses benefiting from unusual tourist, resort, service, technology, privatization, tax holiday, tax free zone, or other forms of government induced benefit.
- focus investment research on industries with the best long-term prospects for growth outside limited local South Pacific markets, such as tourism, telecommunications, off-shore finance, or internet based services.
- review management strategy.
- balance portfolio risk against return.

The Fund intends to make investments in companies that recognise and successfully target opportunities created by lower trade and regulatory barriers and growing economic integration within the wider Oceanic region.

The Fund may invest in unlisted companies in order to maximise the performance return to the Fund. However, it is the intention of the Manager to confine such investments to those where an exit path is clearly mapped out with a short time horizon.

When the Manager identifies a company appropriate for investment the Manager will make a judgment as to how much of the company's value has already been recognised by the market and therefore is reflected in its current share price. This is a key factor in determining the price at which the Fund will be prepared to buy and sell a company's shares. The Manager has determined specific benchmarks for internal rate of return, and share price discount to net present value, estimated from the Manager's modeling process.

Diversification will not be a specific goal of the Fund. The Manager believes that the process of selecting a group of approximately 20-30 carefully chosen core and supporting investments will, in itself, mitigate risk.

It is the Manager's intention to avoid market timing strategies. The illiquid nature and perceived potential of these markets are likely to make such strategies counter-productive.

Capital Preservation - Risk Management

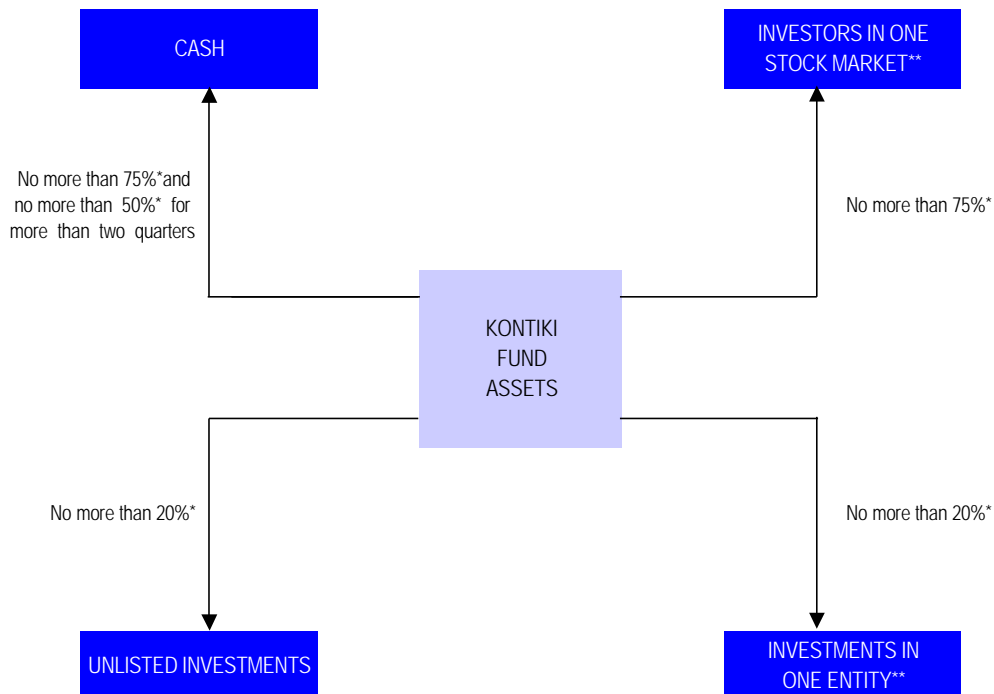
The Fund's primary risk management tool is a careful, disciplined and well researched investment process. This approach will result initially in the Fund being invested in a small group of well-managed growth companies for which the Manager has analysed and developed a knowledge base. The intention is that almost all of these companies be listed on regional stock exchanges.

In addition, the Fund will focus on absolute returns and will avoid investing when suitable opportunities which meet the Fund's criteria are not found. In these instances the Fund may retain cash (no more than 75% of the Fund's Net Asset Value at any time and no more than 50% for more than two quarters) in government bonds including but not limited to New Zealand and Australian government bonds. Alternatively, the Fund may make selective investments in fixed income instruments where these offer better value than available equity. These risk averse investments can then be quickly liquidated to permit the Fund to purchase equities that meet the Fund's criteria when they become available.

The Fund may use derivative instruments and forward currency contracts. These may be used for investment and for the purpose of reducing exposure. However, it is not the intention of the Manager to use these frequently at the outset.

Where possible or appropriate the Manager will use discounted cashflow modeling and simulation to understand and try to mitigate special risks inherent in companies operating in emerging growth markets. In addition, the Manager will employ sensitivity analyses in order to better understand key variables and how they impact the Fund's investments. These research monitoring processes will play a significant part in risk management and thereby assist preservation of capital.

KONTIKI FUND INVESTMENT PARAMETERS AT A GLANCE



* Expressed as a percentage of the Net Asset Value of the Fund.

** These restrictions will not require the realisation of any assets of the Fund if the limit is breached as a result of an upward movement in share prices or asset values, occurring after the investment is made. No further relevant assets will be acquired until the relevant restrictions can again be complied with.

STRATEGIC ALLIANCES AND BUSINESS RELATIONSHIPS

The Manager recognises the importance of developing good business relationships on behalf of the Fund in the Oceanic region. The Manager is fostering relationships of a strategic nature in the region in order to provide better access to investment opportunities.

WHAT DIFFERENTIATES THE KONTIKI FUND?

The Manager believes that the combination of a number of factors listed below will clearly distinguish the Fund within the market place it operates in:

- The Kontiki Fund is the only actively managed regional equity investment fund operating out of Fiji.
- The Fund offers a unique opportunity for investment in emerging markets and businesses in the Oceanic region.
- The Fund will be well located to develop close relationships with early stage growth companies in Fiji and the Oceanic region.

- Income is reinvested in the Fund in order to achieve capital growth, rather than distributed regularly.
- The executive director of the Manager has committed a significant proportion of his own investment savings to the Fund, providing a major incentive for success.
- The personnel of the Advisor have varied and complementary skills and experience relevant to giving investment advice to the Fund.
- Fixed fees are kept to a minimum with performance fees being paid to the Manager only on the successful investment performance of the Fund and after accumulated net losses have been made up.
- The executive director of the Manager will not trade in securities on his own account other than investing in funds managed or advised by the Manager or by other recognised performance or mutual fund managers.
- The number of companies the Fund will invest in will be relatively few and focused.
- When undervalued growth is unavailable capital will be preserved by holding government bonds or cash.
- The Manager has a disciplined approach to assessing investments, including applying specific benchmarks for internal rates of return and share price discounts to net present values.
- One of the Fund's goals is to increase value to investors by leveraging technology transfer which the Manager believes will be a significant factor in the continued development of business in the Oceanic region.
- The Manager has experience of managing a small private fund in the region.
- The Manager will not:
 - leverage or borrow more than 30% of the Net Asset Value of the Fund.
 - short stock worth more than 30% of the Net Asset Value of the Fund.
 - invest more than 30% of the Net Asset Value of the Fund, by starting value, in unlisted investments.
 - invest more than 75% of the Net Asset Value of the Fund in any one stock market in the Oceanic region.
 - hold more than 75% of the Net Asset Value of the Fund in cash or over 50% for more than two quarters.
 - invest more than 20% of the Net Asset Value of the Fund in any one entity.
 - engage in other retail broking, banking, commodity or foreign exchange trading activity except in exceptional circumstances to enhance Fund performance.
 - attempt to time global or regional cycles.
 - invest directly in real estate.
 - attempt to run a fully diversified portfolio.

RISK FACTORS

The nature of investment in emerging growth businesses and markets in the Oceanic region means that the Fund is not a suitable investment for investors other than those who are professional investors with sophisticated knowledge of investment matters. Investment in the Fund involves significant risk factors, including those listed below, and is suitable only for persons who can afford the complete loss of their investment and for persons not requiring liquidity in their investment. There can be no assurances that the Fund will achieve its investment objectives.

In addition to the other information contained in this Memorandum, the following factors should be considered carefully in evaluating an investment in the shares being offered.

Special Currency Risks

The Fund's investments which are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are current account balances, the level of short term interest rates, differences in relative values of similar assets in different currencies, long term opportunities for investment and capital appreciation and political developments. Current account deficits in the Oceanic region - measured as a percentage of gross domestic product - represent a concern to investors from outside the region. The temptation for governments of smaller countries in the region to monetise budget deficits appears to pose the most serious threat for investors outside the region. Conventional currency hedging instruments are largely unavailable in most of these countries. The Fund may try to hedge these risks by investing in foreign currencies, foreign futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof. There can be no assurance that such hedges will be effective. It is not the intention of the Manager to engage significant resources in hedging.

Speculative Nature of Investments

Investment in emerging businesses and markets within the Oceanic region is more speculative and involves a higher degree of risk than is normally associated with equity investment on established stock exchanges.

There can be no assurance that the Fund will achieve its principal investment objective of capital appreciation.

Illiquidity

Many of the jurisdictions in which the Fund intends to invest are in the process of developing stock exchanges and formulating rules and regulations relating to investment. It is unlikely that these stock exchanges will, in the foreseeable future, offer the liquidity available in more developed securities markets. Accordingly, there may be no readily available market for the timely liquidation of investments made by the Fund.

Short Sales

The Fund's investment programme might conceivably include short selling. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale of a security involves risk of an unlimited increase in the market price of the security which could result in an inability to cover the short position, or theoretically, in an unlimited loss. There can be no assurance that securities necessary to cover a short position will be available to purchase.

Leverage

While the use of borrowed funds can substantially improve the return on invested capital, their use may also increase the adverse impact to which the investment portfolio of the Fund may be subject.

Foreign Securities

The Fund will invest primarily in securities of companies domiciled or operating in the wider Oceanic region. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United Kingdom, the United States or other developed nations. These risks include the instability of governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration, economic or monetary policy, or changed circumstances in dealings between nations. In addition, the application of foreign tax laws (e.g., the imposition of withholding taxes) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign securities than would result from investment in securities issued by entities in more traditional investment regions because of the cost that must be incurred in connection with conversions between various currencies and foreign brokerage commissions.

Property Rights

In some countries in which the Fund will invest, the legal position and legislation pertaining to securities ownership may be somewhat blurred, and guarantees on property rights are not as secure as those stipulated by legislation in more developed countries. This creates an associated risk for shareholders in the Fund.

Counterparty Risk or Risk Associated With Execution of Orders

The Safe Custody Bank and the Manager may be required to operate through locally based custodians for the physical safe-keeping of the Fund's assets. The Manager may have to use locally based brokers for trading in securities. Whilst it is intended only to utilise the services of the best qualified and reputable intermediaries in the relevant markets, the available options can be very limited and even the best qualified intermediaries may not be in a position to provide the same level of guarantee of service as is furnished by financial institutions and brokers active in more developed markets. Accordingly, despite the due care and checks and balances in place, shareholders should be aware that they will be bearing the risks associated with this.

Accounting Standards

Accounting, auditing and financial reporting regulations and standards in countries in which the Fund will invest are not as stringent as those applicable in more developed countries. As a result, information on the accounts and finances of companies in which the Fund is likely to invest may prove to be less comprehensive and less reliable than those usually available.

No Current Income

Given that the Fund is unlikely to make distributions, an investment in the Fund is not suitable for investors seeking current income.

Lack of Operating History

The Fund is newly formed and, thus, has limited operating history upon which investors can evaluate its likely performance.

Absence of Regulatory Oversight

Whilst the Fund and the Manager are companies in the Cook Islands under Cook Island law, the Fund is not the subject of a developed regime of regulatory scrutiny (which may, among other matters, regulate the relationship between the Administrator, the Manager and other involved investment advisors, as well as require certain custodial steps to be taken in respect of the securities issued).

Dependence Upon Key Individuals

The success of the Fund is significantly dependent upon the expertise of the executive director of the Manager. The provision of advisory services to third parties by the Advisor, who also serves a key role for the Manager, might divert some time and attention from the management of the Fund.

Determination of Net Asset Value

Whilst specific valuation parameters can apply to the value of regularly traded securities in which the Fund invests, the Administrator in consultation with the Manager has discretion to establish the value of illiquid securities in which the Fund invests. Whilst this discretion must involve reference to a qualified independent party, and requires the Manager to act in good faith, such determinations will affect the Net Asset Value of the Fund which, in turn, will affect the value of shares upon purchase and withdrawal.

Incentive Allocation

The payment of the performance fee to the Manager may create an incentive for the Manager to advise the Fund to make investments that are riskier or more speculative than would be the case if no performance fee, based on gain and net asset value, were payable.

Layering of Fees

The Fund might conceivably invest in other investment funds. To the extent that it does, investors may be subject to duplicate management fees and expenses.

Lack of Diversification

The Fund may, from time to time, be concentrated in securities of a small number of companies and the portfolio, at such times, is unlikely to be widely diversified. Thus, at these times, the Fund may be subject to a more rapid change in value than would be the case if it maintained a wider diversification among companies or industry groups.

Investment and Trading Risks in General

All securities investments present a risk of loss of capital. The Fund may utilise investment techniques, such as option transactions, limited diversification, margin transactions, short sales and futures and forward contracts. These practices can, in certain circumstances, maximise losses.

Relationship Risk

The Fund's investment process involves the development by the Fund with the assistance of the Manager of a number of strategic relationships with entities having considerable leverage and know-how in the wider Oceanic region. It is a possibility that these planned strategic relationships will not come to fruition. If that is the case, the Fund's access to undervalued investments in the wider Oceanic region could be diminished.

The foregoing list of risks is not complete. Potential investors must read the entire Memorandum before determining whether to invest in the Fund. All potential investors must obtain professional guidance from their tax and financial advisors in evaluating all of the tax implications and risks involved in investing in the Fund.

INVESTOR INFORMATION

1. BUYING SHARES IN THE FUND

General

Shares in the Fund are only issued in registered form, with no par value and fully paid up. All owners of shares in the Fund will have their names entered into the shareholders register which will be maintained at the Administrator's office. Shares redeemed by the Fund will be cancelled.

All shares have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Fund.

Each share has one voting right. There are no pre-emptive rights to subscribe for new shares issued in the Fund.

The shares in the Fund may not be transferred without the approval of the directors of the Fund. In usual circumstances this approval will not be unreasonably withheld.

Subject to the above, shareholders are entitled to general shareholder rights as described in the International Companies Act 1981-82.

A shareholders annual general meeting (ieAGMII) will be held each year at a location specified in the notice of meeting.

The AGM shall be held on the first Thursday of the month of April or, if this is an official holiday, on the next working day thereafter. It will be held for the first time in 1999.

A notice announcing the meeting will be sent to all registered shareholders at least 15 Business Days prior to the AGM. This notice shall include details of the time and place of the AGM, the agenda and requirements concerning the quorum and voting rules as provided in Cook Islands law.

All decisions taken by shareholders relating to the Fund shall be taken at the AGM.

Application Form

To apply to invest in the Fund potential investors are required to complete both the subscription statement on page 40 and the application form on page 38 and provide the subscription amount. The application form, the subscription statement and the subscription amount should be sent to the Administrator. The subscription amount should be paid by bankers draft or cheque made payable in US dollars to Kontiki Fund Limited and posted to the Administrator at Dominion House (6th Floor), Thomson Street, Suva, Fiji. Payment may also be made by telegraphic transfer to the bank listed below:

Name of Bank: Bank of New Zealand
City: Auckland
Country: New Zealand
Branch Number: 160
Account Number: F659915-0000 (USD)
Account Number: F659915-0001 (AUD)
Account Name: Kontiki Fund Limited

In the case of payment by telegraphic transfer a copy of the application form should be faxed to the Administrator, Kontiki Portfolio Services at (679) 307-241.

Shares are issued at the discretion of the Manager and the Manager reserves the right to reject or scale any application. Money paid in respect of rejected or scaled applications will be refunded to the applicants, without interest, as soon as practicable.

Minimum Subscription

The minimum initial subscription amount is US\$25,000, or a lesser amount determined by the Manager. After the initial subscription amount further subscriptions of at least US\$10,000 each (or a lesser amount determined by the Manager) may be made at any time.

Entry Fee

Investors will be charged an entry fee of 2% of the Subscription Amount.

Selling Fee

Investors will be charged a selling fee which will be deducted from subscription amounts and paid to the Manager before shares are subscribed for. A selling fee of 1.5% of the subscription amount is currently charged. The Manager may increase or reduce, or assign its right, to this fee in the future.

Application of Subscription Amount

Where an application is accepted the subscription amount less the selling fee and any duties and taxes payable is then applied to subscribe for shares in the Fund.

Issue of Shares

Shares will generally be issued on the last Thursday of each month (Fiji time). If the last Thursday of the month (or week, as the case may be) is not a Business Day, shares will be issued on the preceding Business Day.

Subscription Price of Shares

The subscription price of the shares will be based on the Net Asset Value of the Fund determined on the last Fund Valuation Date preceding the date of issue of the shares (see paragraph 3 below). The number of shares purchased is determined by dividing the subscription amount (less the selling fee and any duties and taxes payable) by the relevant subscription price.

Share Certificate

Shareholders will receive a confirmation that their names have been recorded in the shareholders register. They will not receive a share certificate unless they have expressly requested that a certificate evidencing their shares be issued to them. If certificates are issued, they will usually be delivered within 30 days of the applicable date of subscription.

2. REDEEMING SHARES IN THE FUND

Redemption Notice

To redeem shares investors must complete an application for redemption and post it accompanied, if applicable, by the relevant share certificates, to the Administrator at Level 4, Plaza 1, FNPF Boulevard, 33 Ellery Street, Suva, Fiji. Redemption forms can be obtained from the Administrator.

Retention of Minimum Holding

If the redemption of shares results in a holding of shares which has a value of less than US\$25,000 in the Fund, the Manager may require the investor to redeem all of his/her/its shares in the Fund.

Calculation of Redemption Amount and Exit Fee

The Redemption Amount per share is based on the most recently calculated Net Asset Value of the Fund prior to the date of payment. An exit fee of 2% of the Net Asset Value of shares being redeemed will be charged and paid to the Fund to offset the related cost of redemption. The Redemption Amount represents the Net Asset Value of the shares being redeemed less the amount of the exit fee and any duties and taxes payable on or in relation to the redemption.

Payment of Redemption Amount

The Administrator will pay the Redemption Amount to the investor by cheque or bank transfer in US dollars within 90 days of receipt of a redemption application by the Administrator. However, where the cash position of the Fund or the liquidity of its assets permits, the Fund will endeavour to pay exiting investors as soon as is practicable.

Only 90% of the Redemption Amount (less the exit fee described above) will be paid for shares redeemed within 12 months of those shares having been subscribed for. The 10% early exit deduction will be retained by the Fund. See clause 4 below for details.

Transfer of investments

The Manager may direct that investments rather than cash be transferred on redemption of shares if the shareholder wishing to redeem shares is redeeming more than 5% of the shares then on issue in the Fund. The Manager will exercise this discretion if it considers that payment of the Redemption Amount in cash would be materially detrimental to the interests of the Fund as a whole.

Suspension of redemptions

The Manager has the right to suspend all redemptions of shares from the Fund if the Manager in good faith forms the opinion that it is not practicable or would be materially prejudicial to the interests of the Fund as a whole to permit redemptions. A suspension may be for a period of 90 days and may be extended with the consent of the Administrator. This consent cannot be unreasonably withheld.

3. VALUATION OF SHARES

Fund Valuation Date

Initially the Net Asset Value of the Fund will be calculated by the Administrator in consultation with the Manager once a month at the Close of Business on the last Wednesday (Fiji time) of each month ("Fund Valuation Date"). If the last Wednesday of the month is not a Business Day, the value will be calculated at the Close of Business on the preceding Business Day.

Method of Calculation

The Net Asset Value of the Fund (NAV) is calculated in accordance with the following formula:

$$w + x - z = \text{NAV}$$

where:

- w is the market value of the assets of the Fund (including but not limited to cash, investments, income from accrued investments and amounts owing to the Fund);
- x is any other amounts which the Administrator, after consultation with the Manager, considers should properly be included in the aggregate having regard to applicable accounting standards and other matters relevant to value;
- z the total of all liabilities of the Fund and such other amounts which the Administrator after consultation with the Manager considers should properly be deducted having regard to applicable accounting standards and other relevant matters.

The value of a share in the Fund ("Share Value") is calculated by dividing NAV by the total number of shares on issue in the Fund on the Fund Valuation Date.

Valuing unlisted investments

The market value of unlisted assets will be determined by the Administrator in consultation with the Manager in accordance with standard market practice or, if no such amount has been determined, will be the cost (as determined by the Administrator) to the Fund of that asset.

Valuing listed investments

The market value of any asset of the Fund listed on a recognised stock exchange will be the price quoted for the last sale of that asset on that exchange on the Business Day before the Fund Valuation Date or if the Manager shall form the view that such last sale price is not an accurate reflection of the value of that asset, the value thereof shall be determined by the Manager in consultation with the Administrator.

4. FEES AND CHARGES PAYABLE BY THE INVESTOR TO THE FUND

Early Exit Penalty

If the investor redeems shares within 12 months of subscribing for them only 90% of the Redemption Amount (less the exit fee discussed below), will be payable to the investor.

Exit Fee

If the investor redeems shares an exit fee of 2% of the Redemption Amount will be charged and paid to the Fund to offset the related cost of the share redemptions.

5. FEES AND CHARGES PAYABLE BY THE INVESTOR TO THE MANAGER

Initial Selling Fee

The selling fee is calculated as a percentage of the subscription amount and is deducted before the issue of shares. The selling fee currently being charged is 1.5% of the subscription amount.

6. FEES AND CHARGES PAYABLE BY THE FUND TO THE MANAGER

Performance Fee

The Manager will be paid a performance fee of 20% per annum of the gain on Net Asset Value of the Fund after covering any accumulated net losses in the Net Asset Value of the Fund. The performance fee will be payable quarterly in arrears.

All calculations will be based on time weighted rates of return with valuation on a quarterly basis with geometric linking of monthly returns.

Management Fee

A management fee of 1.5% per annum of the Net Asset Value of the Fund is accrued and payable monthly in arrears to the Manager.

7. FEES AND CHARGES PAYABLE BY THE FUND TO THE ADMINISTRATOR

The Administrator's fee, payable by the Fund is a monthly fee of F\$1,000 plus out-of-pocket expenses and Value Added Tax. In addition the Administrator may charge for services additional to those specified in the Administration Agreement on an hourly basis at its usual professional rates.

8. OTHER EXPENSES OF THE FUND

The Administrator is authorised to pay out of the Fund or reimburse itself and the Manager from the Fund for certain items of expenditure after written notification to and agreement with the Manager. The items of expenditure include:

- All costs, charges and expenses including legal fees incurred in connection with the formation of the Fund and the acquisition or dealing with investments;
- The fees and expenses of the auditor of the Fund;
- The cost of convening and holding any meeting of shareholders;
- All expenses in connection with the keeping of the share register, the preparation and printing of share certificates, accounts and cheques;
- All taxes payable in respect of the Fund.

- All disbursements properly incurred in connection with the acquisition or disposal of an asset of the Fund.
- Fees paid or payable for valuations of assets of the Fund
- Any other expenses properly and reasonably incurred by the Manager and the Administrator in connection with carrying out their respective duties in relation to the Fund.

9. NO GUARANTEES

No party mentioned in this Memorandum guarantees the Fund or any specific rate of return for the Fund. There is no guarantee that the investor will be able to recoup the subscription price of the shares.

Share prices are dependent on economic conditions, investment performance, and liquidity of the underlying investments and on applicable legislation. Share prices may rise or fall depending on these factors.

10. TAXATION

The Kontiki Fund

The Administrator and the Manager have conducted and intend to conduct the affairs of the Fund in such a manner as to minimise, so far as they consider reasonable, the taxation suffered by the Fund.

Cook Island

As the Fund is incorporated under the provisions of the Cook Islands International Companies Act 1981-82 neither the Fund nor its non-resident shareholders are subject to income tax, capital gains tax or withholding tax in the Cook Islands.

Fiji

The tax implications of the Fund investing in Fiji are as follows:

- In the event that an unlisted or listed Fiji company declares dividends a withholding tax of 15% is deductible from the gross dividends before the dividends are distributed.
- An income tax clearance and Reserve Bank of Fiji approval are required before dividends can be remitted overseas.
- There is no capital gains tax in Fiji and the Fund will not be liable for any taxes to be paid in Fiji arising out of capital gains.

Shareholders

Investors in the Fund may be subject to taxation in a number of jurisdictions. All investors should consult their own advisors on taxation and exchange control implications of their acquiring, holding or disposing of shares in the Fund under the laws of the jurisdiction to which they are subject.

11. BORROWING

It is not the intention of the Fund to borrow more than 30% of the Net Asset Value of the Fund.

12. SHAREHOLDER'S REGISTER

The register of shareholders which is the official record of shareholders entitlements is maintained by the Administrator.

13. ANNUAL REPORT

Annual accounts for the Fund are prepared by the Administrator in consultation with the Manager as at 31 March each year. The Manager will report on the operation of the Fund to all shareholders, within five months of the end of the relevant period.

14. REGULATORY ENVIRONMENT

Cook Islands

As a Cook Islands international company, the Fund will be subject to all the laws of the Cook Islands. As the Fund has been incorporated pursuant to the International Companies Act 1981-82, it is that Act which will be the primary source of law in relation to the Fund incorporation and governance. As a Cook Island entity, however, the Fund will also be governed by all other laws of the Cook Islands.

On 4 August 1965, the Cook Islands became a self-governing nation. As such, the Cook Islands Parliament has sole and unfettered authority to pass legislation for the Cook Islands. The Cook Islands is a common law jurisdiction and accordingly regard will be made to the rules of common law and equity where a Cook Islands Court is required to interpret any uncertainty or ambiguity contained in the provisions of any Act of the Cook Islands.

Fiji

In Fiji the Advisor is subject to the provisions of:

- the Companies Act 1983;
- the Capital Markets Development Authority Act 1996;
- the Capital Markets Development Authority (Securities Exchanges and Licensing Regulations) 1997;

as amended or replaced from time to time.

15. DIRECTORS FEES

The directors of the Fund have agreed not to charge any directors fee to the Fund during its first year of operation. Thereafter, appropriate fees will be paid, on a usual commercial basis, as agreed between the Fund and the directors.

16. FURTHER INFORMATION

A copy of the Management Agreement, Subcontract, Administration Agreement, and the Articles of Association of the Fund are available, free of charge, on request from the Advisor. The Manager and/or the Advisor reserves the right of refusal.

OTHER INFORMATION

1. MAIN TERMS OF THE OFFER

Kontiki Fund Limited (the "Fund") will be the issuer of shares offered under this Memorandum. The address of the registered office of the Fund is c/o Bermuda Trust (Cook Islands) Limited, Bermuda House, Tutakimoa Road, Rarotonga, Cook Islands.

The shares being offered by the Fund are ordinary shares in the Fund with no par value. The shares will be issued fully paid up. All shares will have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Fund. Each share has one vote. There are no pre-emptive rights to subscribe for new shares.

There is no maximum number of shares being offered under this Memorandum.

The price to be paid for the shares offered will be the Share Value, the selling fee and any duties and taxes payable in respect of the subscription for and issue of the shares. The Share Value, less the selling fee and any duties and taxes payable, will be applied towards the issue of shares in the Fund.

2. DETAILS OF INCORPORATION OF THE FUND

The Fund was incorporated on 25 March 1998 in the Cook Islands under the International Companies Act 1981/82. The registered number of the Fund is 344998.

3. PRINCIPAL SUBSIDIARIES

At the date of this Memorandum, the Fund has no subsidiaries.

4. DIRECTORATE AND ADVISORS

The names, addresses and technical and professional qualifications of the directors of the Fund and, in respect of directors of the Fund who are employees of the Fund, the positions they hold in the Fund are set out in the Directory in this Memorandum.

No director of the Fund has been adjudged bankrupt during the 5 years preceding the date of this Memorandum.

The names of the Fund's auditor, the Administrator, and the solicitors who have been involved in the preparation of this Memorandum are set out in the Directory of this Memorandum.

Restrictions on Directors' Powers

Under the Articles of Association of the Fund the variation of rights attached to a class of shares generally may not be varied or abrogated without the consent of the holders of three quarters of the shares of that class.

The alteration of the Articles of Association with respect to the composition, denomination and division of its share capital and the alteration of the Memorandum with respect to the objects or powers of the Fund requires a special resolution of the Fund.

5. DIRECTORS' INTEREST IN THE FUND

All directors of the Fund are shareholders directly or indirectly.

6. DESCRIPTION OF ACTIVITIES

A description of the intended activities of the Fund is set out at pages 14,15,16 and 17 of this Memorandum. The Fund has not traded since incorporation. The Fund has no fixed assets.

7. SUMMARY OF FINANCIAL STATEMENTS

The Fund was incorporated on 25 March 1998.

8. PROSPECTS AND FORECASTS

The Fund is an unlisted Cook Islands company established for the purpose of investing primarily in emerging companies and businesses located in or connected with the Oceanic region. The Fund is the only actively managed regional equity investment fund operating out of Fiji. The directors of the Fund are not aware of any specific evidence which suggests that a company of this type will not be successful.

Some of the special trade factors and risks that are associated with the Fund are set out on pages 21,22 and 23 of this Memorandum.

9. PROVISIONS RELATING TO INITIAL FLOATATIONS

The Fund plans to make a number of investments of the type and nature outlined in this Memorandum. The proceeds of the offer of shares in the Fund will be used to finance those plans. The Fund will not borrow in the normal course of business but has discretion to borrow up to 30% of the Net Asset Value of the Fund.

The proceeds of this offer of shares may, notwithstanding the plans referred to above, be applied towards any undertaking in which the Fund may lawfully engage.

10. ACQUISITION OF BUSINESS OR SUBSIDIARY

The Fund has not acquired any business or subsidiary.

11. SECURITIES PAID UP OTHERWISE THAN IN CASH

No securities have been issued by the Fund as fully paid up otherwise than for cash.

12. OPTIONS TO SUBSCRIBE FOR SECURITIES IN THE FUND

No options to subscribe for securities in the Fund have been granted to any person by or on behalf of the Fund.

13. APPOINTMENT AND RETIREMENT OF DIRECTORS

The first appointed director of the Fund was John Courtney. Iain Little and Jack Lowenstein have also been appointed as directors of the Fund.

The directors may appoint additional directors and may increase or reduce the permissible number of directors.

The shareholders may by special resolution remove any director and appoint another director in his stead.

A director of the Fund ceases to be a director if he:

- Ceases to be a director or becomes prohibited from being a director by virtue of or under the International Companies Act 1981-1982.

- Within the Cook Islands or elsewhere is adjudged bankrupt or insolvent or makes any arrangement or compromise with his creditors generally.
- Becomes of unsound mind.
- Resigns his office by notice in writing to the Fund.

14. DIRECTORS' INTERESTS

Except as set out below, no director of the Fund is presently entitled to any remuneration from the Fund (other than by way of Director's fees) pursuant to any contract of service (other than a contract that is terminable without payment of compensation by the Fund on notice of two years or less)

Pursuant to the Management Agreement the Manager will be indirectly entitled to receive a management fee of 1.5% per annum of the Net Asset Value of the Fund and a performance fee of 20% per annum of the gain on Net Asset Value of the Fund after covering any accumulated net losses in the Net Asset Value of the Fund.

The Manager has subcontracted some of its duties to the Advisor to which it will pay a consultancy fee, as agreed from time to time between the Manager and the Advisor.

The Fund's Articles of Association permit the payment of reasonable travelling, hotel, entertainment and other expenses incurred in attending meetings and when otherwise engaged on the business of the Fund. Other than the Management Agreement and the Subcontract no material transactions were entered into between the Fund and any director or any party related to a director of the Fund during the five years preceding the date of this Memorandum.

15. PROMOTERS' INTERESTS

The Manager and the Advisor are promoters of the shares being offered.

No material transactions have been entered into between any promoter, or any party related to a promoter during the five years preceding the date of this Memorandum other than:

On 31 March 1998 the Manager and the Fund entered into a Management Agreement governing the basis upon which the Manager will provide management services to the Fund. On 31 March 1998 the Manager and the Advisor entered into a Subcontract under which the Manager subcontracted certain operational duties and its investment advisory role to the Advisor. A summary of the principal terms of the Management Agreement and Subcontract are set out under clause 16 below. No property has been acquired by or proposed to be acquired by any promoter from the Fund, any director of the Fund or any body corporate related to it.

16. MATERIAL CONTRACTS

The only material contracts entered into by the Fund during the two years preceding the date of this Memorandum (not being contracts entered into in the ordinary course of business) are the contracts described as the Administration Agreement, the Management Agreement and the Subcontract. Under the terms of each of these contracts the Fund agrees to indemnify the contracting party to the extent specified in the summary of terms below:

MANAGEMENT AGREEMENT

Remuneration

The Fund has agreed to pay a management fee of 1.5 percent per annum of the Net Asset Value of the Fund accrued and payable monthly in arrears to the Manager. In addition the Manager will be paid a performance fee of 20% per annum of the gain on Net Asset Value of the Fund after covering any accumulated net losses in the Net Asset Value of the Fund. This fee will be paid by the Fund to the Manager quarterly in arrears. The

Manager will also be paid an initial selling fee of 1.5 percent of the subscription amount of shares in the Fund.

Role of the Manager

The Fund has appointed the Manager to:

- Manage the Fund and its investments, including making the investment decisions of the Fund and making investments on behalf of the Fund.
- Report to the Fund and assist the Administrator in the preparation of reports required in respect of the Fund.
- Make information, assistance and records available to the Fund's auditors.
- Assist the Administrator to prepare valuations of the Net Asset Value of the Fund and to calculate the issue and redemption prices of shares in the Fund.
- Supervise the keeping of financial records of the Fund.
- Market the Fund to potential investors.
- Negotiate and supervise any borrowings of the Fund.
- Take all reasonable steps to promote the interests of the Fund, including providing investment advisory services to the Fund.
- Search for, identify and research prospective investments for the Fund.
- Undertake risk testing including simulation modeling where possible and appropriate.
- Provide investment advisory services to the Fund.

Investment Responsibilities

The Manager is responsible for compliance with the Investment Guidelines as set out in the Management Agreement. In brief, the Investment Guidelines are as follows:

- Achieve long term capital growth for investors with investment time frames of three to five years by investing primarily in emerging growth businesses in the Oceanic region.
- Invest in listed companies which distinguish themselves by their economic involvement in the Oceanic region.
- Invest in businesses operating in the emerging growth industries in the Oceanic region with emphasis on Fiji, Papua New Guinea and other islands in the region.
- Make all investments in accordance with the Articles of Association of the Fund.

Warranties & Indemnities

The Fund warrants that it has power to enter into the Management Agreement, that the Funds permitted investments are authorised under the Articles and at law and that the assets of the Fund are beneficially owned by the Fund and free of any charge or other encumbrance.

The Fund indemnifies the Manager against losses or liabilities arising out of or in connection with the Manager (or any director, employee or agent of the Manager) acting under the Management Agreement or any investment decision made in good faith by the Manager except in so far as any loss or liability is caused by the gross negligence, dishonesty or breach of the Management Agreement by the Manager (or its directors or employees). The Fund's liabilities are limited to the assets for the time being of the Fund.

The Manager warrants to the Fund that it has the necessary skills to perform under the Management Agreement and that it will do so in accordance with the Investment Guidelines and will cooperate with the Administrator.

The Manager indemnifies the Fund against any liability, loss, cost, charge or expense directly incurred in connection with any gross negligence or dishonesty of the Manager (and its directors or employees) or any breach of the Management Agreement.

Delegation & Subcontracting

The Manager may engage brokers, dealers or agents to carry out transactions in relation to the management of the Fund. The Manager may delegate or subcontract responsibility for some or all its duties under the Management Agreement. The Manager remains legally responsible to the Fund for the performance of all duties under the Management Agreement.

Voting

The Manager is authorised to exercise voting rights attached to the Fund's assets and may exercise such rights as it reasonably believes is in the interests of the Fund.

Term

The Manager can terminate the Management Agreement by giving the Fund at least 30 days written notice.

The Fund can terminate the Management Agreement immediately by written notice to the Manager:

- Upon the liquidation, winding up, receivership of the Manager or the Manager makes a composition or arrangement with its creditors.
- If the Manager commits a material breach of the Agreement and fails to remedy it within 30 days of notification.

ADMINISTRATION AGREEMENT

Role of the Administrator

The Fund appoints the Administrator to:

- Prepare valuations of the Net Asset Value of the Fund and calculate the relevant issue and redemption prices for shares in the Fund.
- Assist with the administrative aspects of acquisition or disposal of the Fund assets.
- Operate a bank account for the Fund in Fiji if required by the Manager.
- Process transactions, including issuing and redeeming shares in the Fund.
- Create, maintain and update the share register of the Fund.

- Maintain current schedules of cash and securities held by the Fund.
- Ensure Fund investments are made in the name of Fund or its nominee(s).
- Supply information about the Fund to the Manager.
- Keep the financial records of the Fund and liaise with the auditors of the Fund.
- Receive and record all corporate actions (including dividends, interest and bonuses) relating to the Fund.
- Perform such other general administrative services as required by the Fund.

Fund May Direct Administrator

The Fund may, by giving the Administrator reasonable written notice, direct the Administrator in respect of the administration of the assets of the Fund.

Remuneration

The Fund has agreed to pay the Administrator the remuneration specified on page 27 of this Memorandum.

Warranties & Indemnities by the Fund

The Fund warrants that it has power to enter the Administration Agreement and that the assets of the Fund are beneficially owned by the Fund and free of any charges or other encumbrances.

The Fund indemnifies the Administrator against losses or liabilities incurred by the Administrator arising out of or in connection with the Administrator (and its directors, employees or agents) acting under the Administration Agreement except in so far as such loss or liability is caused by the negligence, fraud, dishonesty or breach of the Administration Agreement by the Administrator. The liability of the Fund is limited to the assets for the time being of the Fund.

Warranties by the Administrator

The Administrator warrants that it has the necessary skills and capacity to perform its obligations under the Administration Agreement and that it will cooperate with the Manager to ensure that the assets of the Fund are in proper form, in the name of the Fund (or its nominee(s)) and free of encumbrance.

Term

The Administration Agreement may be terminated by:

- Either party giving to the other at least 60 days written notice.
- The Fund immediately by written notice upon the liquidation, winding up, receivership of the Administrator or if the Administrator makes a composition or arrangement with its creditors or commits a material breach of the Administration Agreement and fails to remedy it within 10 Business Days.

SUBCONTRACT

Appointment of the Advisor

The Advisor is appointed by the Manager to:

- Search for, identify and research prospective investments for the Fund.
- Undertake risk testing including simulation modeling where appropriate and possible.
- Provide investment advisory services to the Fund.
- Exercise the care and skill of a prudent investment advisor.
- Account to the Manager for fees or commissions received in relation to the Fund or its investments.
- Act in good faith in the best interests of investors of Fund and provide information as reasonably required by the Manager to assist it to monitor the investment advice given to the Fund.

Warranties by the Manager

The Manager warrants to the Advisor that it has the power to enter into and perform its obligations under the Subcontract and that the investments of the Fund will remain beneficially owned by the Fund and free of liens, charges or other encumbrances.

Warranties by the Advisor to the Manager

The Advisor warrants to the Manager that it has the skills, facilities, capacity and staff necessary to perform its responsibilities under the Subcontract and that it will perform its obligations at all times in accordance with the investment policy of the Fund and the instructions of the Manager.

Consultancy Fee

In consideration of services provided by the Advisor to the Fund the Manager shall pay the Advisor a consultancy fee of an amount agreed between the parties from time to time. It is the current intention of the Manager to pay a consultancy fee of 1.5% per annum of the Net Asset Value of the Fund to the Advisor, accrued and payable monthly in arrears. This is subject to change at the discretion of the Manager.

Indemnities

The Manager indemnifies the Advisor against losses and liabilities incurred by the Advisor (or any director, employee or agent of the Advisor) acting under the Subcontract except in so far as such loss is caused by negligence, default, fraud, dishonesty or breach of the Subcontract by the Advisor, its directors or employees.

The Advisor indemnifies the Manager against losses and liabilities directly incurred in connection with negligence, default, fraud or dishonesty of the Advisor (or its directors or employees) or any breach of the Subcontract by the Advisor.

Term

The Subcontract may be terminated by either the Manager or the Advisor giving to the other at least 60 days written notice. Either party may terminate the Subcontract immediately by written notice to the other if a receiver or liquidator of that other party is appointed or that party makes any compositional arrangement with its creditors or commits a material breach of any of the provisions of the Subcontract which is not remedied within 30 days of receiving written notice of that breach.

17. PENDING PROCEEDINGS

There are no legal proceedings or arbitrations that are pending at the date of this Memorandum that may have a material adverse effect on the Fund.

18. PRELIMINARY AND ISSUE EXPENSES

Preliminary Expenses

Preliminary and issue expenses incurred in relation to the incorporation of the Fund were approximately US\$100,000.

19. RESTRICTIONS ON THE FUND

The Fund will not:

- Leverage or borrow more than 30% of the Net Asset Value of the Fund.
- Short stock worth more than 30% of the Net Asset Value of the Fund.
- Invest more than 75% of the Net Asset Value of the Fund in any one stock market in the Oceanic region.
- Hold more than 75% of the Net Asset Value of the Fund in cash or over 50% for more than two quarters.
- Invest more than 20% of the Net Asset Value of the Fund in any one entity.

20. OTHER TERMS OF THE OFFER AND THE SHARES

All the terms of the offer of the shares and all terms of the shares being offered are set out in this Memorandum, except for those implied by law or set out in a document that has been registered with a public official, is available for public inspection, and is referred to in this Memorandum.

21. FINANCIAL STATEMENTS

The Fund has only recently been incorporated and has not commenced business. As at the date of this Memorandum, the Fund has not acquired any assets nor incurred any debts.

22. PLACE OF INSPECTION OF DOCUMENTS

The Memorandum and Articles of Association of the Fund and the material contracts referred to in paragraph 16 above may be inspected without fee at the office of the Advisor during normal business hours. The Manager and/or Advisor reserves the right of refusal.

23. OTHER MATERIAL MATTERS

There are no material matters relating to the offer of shares other than those set out elsewhere in this Memorandum and contracts entered into in the ordinary course of business of the Fund.

24. EXPERTS' STATEMENTS

Kontiki Portfolio Services of Suva, Fiji is the Administrator of the Fund and:

- has given and not withdrawn its consent to be named in this Memorandum as Administrator; and
 - takes no responsibility for, nor has authorised or caused the issue of any part of this Memorandum.
- PricewaterhouseCoopers is the auditor of the Fund and:
- has given and not withdrawn its consent to be named in this Memorandum as auditor of the Fund; and
 - takes no responsibility for, nor has authorised or caused the issue of any part of this Memorandum.

Hesketh Henry of Auckland, New Zealand, Munro Leys of Suva, Fiji and Clarkes, P.C. of Rarotonga, Cook Islands have each separately:

- given and not withdrawn their consent to be named in this Memorandum as legal counsel to the Fund; and
- do not purport to make any statement in this Memorandum, nor have they authorised or caused the issue of any part of this Memorandum.

Bank of New Zealand of Auckland , New Zealand:

- acts solely as banker to the Fund;
- does not guarantee any investment offered by, or any obligations of the Fund or the Manager; and
- takes no responsibility for nor has authorised or caused the issue of any part of this Memorandum.

Westpac of Suva, Fiji:

- has given and not withdrawn its consent to be named in this Memorandum as Safe Custody Bank and as local bankers to the Fund in Fiji; and
- takes no responsibility for, nor has authorised or caused the issue of any part of this Memorandum.

GLOSSARY

<i>Administration Agreement</i>	means the agreement effective from 1 September 2000 between Kontiki Portfolio Services Ltd of Suva, Fiji and the Fund under which the Administrator undertakes responsibility for the administration of the Fund upon the terms of the agreement.
<i>Business Day</i>	means a day on which the Fiji Stock Exchange is open for business.
<i>Close of Business</i>	means, in respect of a Fund Valuation Date, 7 p.m. Fiji time.
<i>Fund Valuation Date</i>	means the last Wednesday Fiji time (or if it is not a Business Day, the preceding Business Day) in each month.
<i>Management Agreement</i>	means the agreement dated 31 March 1998 between the Fund and the Manager under which the Manager undertakes responsibility for the management of the Fund upon the terms of the agreement.
<i>Net Asset Value of the Fund</i>	means, in respect of a Fund Valuation Date, the net asset value of the Fund as determined by the valuation process set out on page 26 of this Memorandum.
<i>Oceanic region</i>	means, for the purposes of this Memorandum, the South Pacific region and includes the Pacific Islands of Melanesia, Micronesia and Polynesia as well as Australia and New Zealand.
<i>Redemption Amount</i>	means the amount payable to the investor upon redemption of shares in the Fund. The Redemption Amount is the Net Asset Value per share of the Fund on the relevant Fund Valuation Date less the amount of the exit fee.
<i>Securities</i>	means listed and unlisted equity and equity related securities including convertible bonds and warrants, shares, units or other interests in collective investment schemes, debt securities including government and corporate issues and warrants or options thereon, bank deposits and certificates of deposit.
<i>Share Value</i>	means, in relation to the Fund and in respect of any day, the amount determined by the Manager by dividing the Net Asset Value of the Fund as at the Close of Business on the Fund Valuation Date by the number of shares then on issue in the Fund.
<i>Subcontract</i>	means the Subcontract dated 31 March 1998 between the Manager and the Advisor under which the Manager subcontracts certain operational and investment advisory duties in relation to the Fund to the Advisor upon the terms of the Subcontract.
<i>Transaction</i>	means any issue or redemption of shares in the Fund and any purchase or disposal of assets in the Fund.

KONTIKI FUND APPLICATION FORM

Applicant's Name(s)

(For joint investors, please fill in the name details of each investor or person authorised by each investor, see note 2 below. For companies or trusts indicate one name and include Trustee's name.)

Postal Address

Postcode	Country

Contact Telephone number

Work	Home	Fax	Country of Residence
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Are you a current Shareholder? Yes No Shareholder Numbers

INVESTMENT INSTRUCTIONS

I/We wish to invest \$..... in the Kontiki Fund outlined in this Memorandum and agree to be bound by its provisions and those of the Articles of Association of the Fund.

I, enclose a Cheque

Bank draft for the subscription amount

Telegraphic transfer *(Please tick one option)*

Please make your cheque or bank draft payable in US dollars to The Kontiki Fund (BNZ Auckland) Account and post it with this application form to the Administrator at Level 4, Plaza 1, FNPF Boulevard, 33 Ellery Street, Suva, Fiji. Payment can also be made by telegraphic transfer to the bank listed below:

Name of Bank: Bank of New Zealand

City: Auckland Country: New Zealand

Branch Number: 160

Account Name: Kontiki Fund Limited Account Number: F659915-0000 (USD)
Account Number: F659915-0001 (AUD)

In the case of payment by telegraphic transfer a copy of the application form should be faxed to the Administrator, Kontiki Portfolio Services Limited at 679-307241.

REDEMPTION

Please provide details to where redemption will be paid (if known).

Bank	Branch	Account Name	Account Number

NOTE: 1. Before signing the application form, applicants should read the Memorandum dated 1 April 1998 and this form. 2. If there are joint applicants, each applicant, or a person authorised by an applicant, must sign this application form. Evidence of such authorisation must be provided. Only the address of the first name of the joint applicants will be recorded and all payments, notices, etc. will be sent to that address. 3. If the applicant is a company, the application must be executed on behalf of the company in the manner required by its constitution or Articles of Association. 4. If signing this form under Power of Attorney, please enclose the original Power of Attorney or a certified copy thereof and complete the Certificate of Non-Revocation of Power of Attorney attached.

Signature(s) of applicants

.....

BY SIGNING THIS APPLICATION FORM the following is agreed (subject to acceptance of this application form):

I/We agree to be bound by the Articles of Association of the Fund as amended from time to time, and by provisions contained in the Memorandum dated 1 April 1998.

I/We agree that the Administrator shall be entitled to deduct from the subscription monies and from monies payable to me/us on redemption of any of my/our shares relating to my/our holding all redemption and other fees, taxes and duties paid or payable in respect of the subscription monies enclosed or in consequence of such redemption.

I/We agree that all information about me/us is disclosed in this form may be used by Kontiki Capital Limited, the administrator and the Manager for the purpose of managing the Fund and my/our holding and sending me/us information relating to the Fund or other investment products.

I/We know that I/we can request access to and correction of any information held about me/us by Kontiki Capital Limited, the Administrator and the Manager or anybody to whom those details have been disclosed. If I/we request, Kontiki Capital Limited, the Administrator and the Manager must advise the names and addresses of the bodies (if any) that have been given information about me/us. I/We will inform the registrar of any changes to the information provided by me/us to the Administrator or to the Manager. In the case of joint applications the joint applicants agree that, unless otherwise expressly indicated on this Application Form, the shares will be held jointly as joint tenants.

I/We acknowledge that the value of shares may fall as well as rise.

I/We have detached this Application Form from a Memorandum dated 1 April 1998 which I/we have read.

I/We declare that all the details in this Application Form are true and correct.

I/We acknowledge that the Subscription Statement which I/we have completed will be relied upon by the addressees in that Statement for the issue of shares in the Fund into the jurisdiction in which I/we reside. All the representations and warranties I/we make in that Subscription Statement are true and correct.

I/We acknowledge and covenant that I/we may be required from time to time to (and I/we will) complete further statements or certificates for the benefit of the Fund in respect of securities or other laws which the Fund deems to be reasonably necessary in connection with securities or other laws of any relevant jurisdiction.

This Application Form must not be handed to any person unless attached to the Memorandum dated 1 April 1998

Expressions defined in the Memorandum have the same meaning in this application form.

The Manager has the right to decline any application, in whole or in part, without giving any reason.

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

(To be completed if Application is made under Power of Attorney)

I,of (address and occupation of attorney)

HEREBY CERTIFY

1. THAT by Power of Attorney dated theday of.....200.....

.....
(name, occupation of person for whom attorney is signing ("the Donor"))

appointed me his/her Attorney on the terms and conditions set out in that Power of Attorney.

2. THAT I have executed the application for the shares on the face of this form as Attorney under that Power of Attorney and pursuant to the power thereby conferred upon me.

3. THAT at the date of this Certificate I have not received any notice or information of the revocation of the Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at this.....day of.....200.....

.....
(signature of attorney)

THE KONTIKI FUND

SUBSCRIPTION STATEMENT
TO BE COMPLETED BY AN INTENDED INVESTOR

To: Kontiki Fund Limited
And To: Kontiki Capital Management Limited
And To: Kontiki Capital Limited
(together, the "Beneficiaries")

The intended investor named at the end of this statement ("Intended Investor") makes and gives the following representations and warranties for the benefit of the Beneficiaries (such representations and warranties to survive the Intended Investor's subscription for shares in the Fund):

1.
 - a. If a natural person, the Intended Investor is:
 - i. over 21 years of age; and
 - ii. legally competent to execute this Subscription Statement and apply for and purchase shares in the Fund pursuant to the application form and to carry out his/her obligations in accordance with the terms of those documents.
 - b. If an entity, the Intended Investor has full power and authority to execute and deliver the application form and this Subscription Statement and to carry out its obligations under those documents in accordance with their terms.
2. The Intended Investor has received (on a confidential basis) and read carefully the Memorandum of which this Subscription Statement forms part and confirms that its subscription for the shares is made solely on the basis of the information contained in the Memorandum and not in reliance on any other information, representations or warranties, whether oral or written or otherwise made by any of the Beneficiaries or any officer, director or employee of any of them.
3. The Intended Investor has such knowledge and experience in finance, securities, investments and other business matters to be capable of evaluating the merits of an investment in the Fund, is able to bear the economic risk of such investment and has adequate means for providing for its current needs and possible contingencies.
4. The Intended Investor understands the various risks of an investment in the Fund and can afford to bear such risks, including, but not limited to, the risks of losing his/her/its entire investment.
5. The Intended Investor is aware that the purchase of shares in the Fund is a speculative investment involving a high degree of risk and that there is no guarantee that the Intended Investor will realise any gain from this investment and that the Intended Investor could lose the total amount of the Intended Investor's investment. The Intended Investor acknowledges that he/her/it has specifically reviewed the section in the Memorandum entitled "Risk Factors".
6. The Intended Investor has no need for liquidity of his/her/its investment in the Fund and can afford to hold the shares in the Fund for which he/her/it intends to subscribe for a substantial period of time.
7. The Intended Investor is fully aware that an investment in the Fund involves significant risks which he/she/it may have to bear for an indefinite period of time because:
 - a. the Fund has no operating history;
 - b. there will be no public market for shares in the Fund
 - c. transfer of the shares is not permitted unless the directors of the Fund, at their absolute discretion, agree;
 - d. the shares have not been registered under the U.S. Securities Act of 1933, as amended or under the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently so registered or qualify for an appropriate exemption; and

- e. the Fund is not required to, and does not intend to, register any of the shares for resale under the U.S Securities Act of 1933, as amended, or any other securities legislation of any other jurisdiction.
8. With regard to the tax, legal, currency and other economic considerations relating to an investment in the Fund, the intended investor has only relied on the advice of, or has only consulted with, its own professional advisers.
9. In the UK the intended investor qualifies as a person falling within the category of persons set out in Article 11(3) of the Financial Services Act (Investment Advertisements) (Exemptions) Order 1996 and understands that the Memorandum or any part of it may not be distributed or redistributed to any person in the UK who falls outside these categories unless such distribution is undertaken by a person authorised under the Financial Services Act 1986 ("the Act") in which case the Intended Investor warrants that it falls within the category of persons to whom the Memorandum may be distributed pursuant to the Financial Services (Promotion of Unregulated Schemes) Regulations 1991.
10. The Intended Investor understands that offers and sales of shares in the Fund will only be made to persons or entities to which offers and sales may be made to without the Fund being required to comply with any registration or filing requirements in the relevant jurisdictions. The Intended Investor acknowledges that it cannot receive an offer or invest in the Fund if its doing so would be contrary to the Intended Investor's understanding as set out in the previous sentence.
11. The shares subscribed for will be acquired by the Intended Investor for his/her/its own account, for investment and not with a view to distribution. The Intended Investor will not acquire shares in the Fund as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communication published in any newspaper, magazine, internet site, computerised bulletin board or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
12. The Intended Investor understands and acknowledges that no actions have been taken to register or qualify the shares in the Fund or their offer or otherwise to permit a public offering of the shares in any jurisdiction.

Signature of Authorised Signatory

Name: _____

Title: _____

Date: _____

Name of Intended Investor
(if not the authorised signatory)