

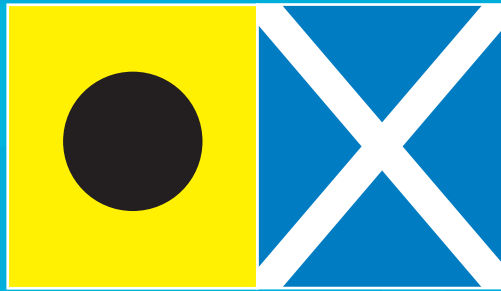


MARINER

BRIDGE  
INVESTMENTS

Prospectus

# Mariner Bridge Investments Limited



Lead Managers and Underwriters

**CommSec**



MACQUARIE

Mariner Bridge Investments Limited  
ABN 16 088 267 190  
Prospectus dated 27 October 2006

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# Important Notices

## Regulatory Information

This Prospectus is dated 27 October 2006 and was lodged with ASIC on that day. This Prospectus contains an Offer for investors to acquire New Shares in Mariner Bridge Investments Limited (Company). The Offer is made by the Company.

No responsibility as to the contents of this Prospectus is taken by ASIC or ASX. The Company will apply to ASX for quotation of the New Shares within seven days of the date of this Prospectus. The fact that the ASX may quote the New Shares is not to be taken in any way as an indication of the merits of the Company.

No securities will be allotted, issued or sold on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## Disclaimer

The Offer contained in this Prospectus does not take into account your investment objectives, financial situation and particular needs.

It is important that you read this Prospectus carefully and in full before deciding to invest in the Company. In particular, you should consider the taxation treatment of an investment in the Company and the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. See section 5 for more details regarding the risks that could affect the financial performance of the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus other than information which has been disclosed by the Company in connection with its continuous disclosure obligations. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

## Electronic Prospectus

This Prospectus is available to Australian investors in paper form and as an electronic Prospectus which may be viewed online at <[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>. The offer of New Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus in Australia. Applications for New Shares made by Australian investors may only be made on the Application Form attached to or accompanying this Prospectus or its online copy form as downloaded in its entirety from <[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>.

The Corporations Act prohibits any person from passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of the Prospectus. During the Offer period, any person may obtain a free hard copy of this Prospectus by contacting the Registry by telephone on 02 9290 9600 or by fax on 02 9279 0664.

## Restrictions on Offer and Distribution

This Prospectus does not constitute an offer to any person in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities law.

## Financial Amounts

Money as expressed in this Prospectus is in Australian Dollars unless otherwise indicated.

## Glossary of Terms

Please refer to the Glossary in section 7 for terms and abbreviations used in parts of this Prospectus.

## Enquiries

If, after reading this Prospectus, you have any questions in relation to the Offer, please contact the Registry between 8.30am to 5.30pm (AEST), Monday to Friday on 02 9290 9600.

# Executive Chairman's Letter

27 October 2006

*Dear Investor*

On behalf of the Board of Directors (Board), it is my pleasure to invite you to become a shareholder of Mariner Bridge Investments Limited (the Company).

The Company will be an investor in structured finance transactions. Its strategy will be to make equity and debt investments in structured finance transactions focusing on the core asset classes of property, infrastructure, fixed income and leases over tangible assets.

The Company's objective is to generate consistently high returns, comprising income and capital growth, over the medium term by investing in a diversified portfolio of asset, project and cash flow backed loans and investments. The Company will adopt a disciplined investment strategy and risk management framework to regulate its activities.

The Company expects to be able to develop mutually beneficial relationships with a number of transaction arrangers, including Mariner Financial Limited (MFL) and intends to allocate its capital to the most attractive opportunities.

The Board believes that the Company's strategy of being an investor in structured finance transactions positions it in a unique niche in the Australian marketplace and will provide the opportunity to build a substantial financial services business.

To achieve this goal, the Company will seek to benefit from the following competitive advantages and characteristics:

- The existing relationships and proven structuring skills of the Board, including the Managing Director, Mark Phillips, who was previously the Managing Director of Record Investments Limited.
- Its relationship with MFL, which has granted the Company a right of first refusal to invest in transactions it originates that satisfy the Company's return profile. MFL has also committed to subscribe for \$20 million of the Offer.
- The implementation of an investment strategy and risk management framework designed to ensure a rigorous process for evaluating transactions and managing existing exposures.

To implement its strategy, the Company is seeking to raise \$125 million of new equity capital through the Offer. These funds will be invested over time as opportunities are identified and evaluated. As at the date of this Prospectus, the Company has already made two investments which represent 9.6% of the net funds to be raised under the Offer.

Detailed information about the Offer and the Company's business, as well as the key risks of investing in the Company, are set out in this Prospectus, which I encourage you to read carefully before making your investment decision.

On behalf of the Directors, I commend the Offer to you and look forward to welcoming you as a shareholder of Mariner Bridge Investments Limited.

Yours sincerely



**Irene Y L Lee**

Executive Chairman

# Highlights of the Offer

## KEY DATES

Lodgement of Prospectus with ASIC	Friday, 27 October 2006
General Offer opens	Monday, 30 October 2006
Allotment of New Shares under Foundation Offer	Tuesday, 31 October 2006
Expected commencement of trading of New Shares allocated under Foundation Offer on ASX	Monday, 13 November 2006
General Offer closes	Monday, 20 November 2006
Allotment of New Shares under General Offer	Monday, 27 November 2006
Expected despatch of holder statements for New Shares	Thursday, 30 November 2006
Expected commencement of trading of New Shares allocated under General Offer on ASX	Thursday, 7 December 2006

These dates are indicative only and may change. The Company, in consultation with the Joint Lead Managers, reserves the right to vary these dates without prior notice including, subject to the Corporations Act and the ASX Listing Rules, to extend the latest date for receipt of Applications, to accept late Applications either generally or in particular cases or to withdraw the Offer without prior notice. If any of these dates are changed, subsequent dates may also be changed. Investors are encouraged to submit their Applications as soon as possible. Closing times for any of the above dates are AEST.

## KEY OFFER STATISTICS

The Offer is for New Shares in Mariner Bridge Investments Limited.

Total number of New Shares under the Offer	100,000,000
Offer Price per New Share	\$1.25
Total number of Shares on issue at completion of the Offer <sup>1</sup>	107,384,880
Market capitalisation at completion of the Offer <sup>1,2</sup>	\$134.2 million
Number of Shares held by Mariner Financial Limited at completion of the Offer <sup>3</sup>	19,440,000
Percentage ownership by Mariner Financial Limited at completion of the Offer <sup>3</sup>	18.1%
Pro forma Net Tangible Asset (NTA) backing per ordinary share <sup>4</sup>	\$1.20

<sup>1</sup> Based on the total number of New Shares under the Offer plus the total issued ordinary shares outstanding at 30 June 2006 (adjusted for the 1 for 5 share consolidation approved on 26 October 2006). This calculation excludes ordinary shares to be issued under the Share Scheme. Further information on the Share Scheme is set out in the Notice of General Meeting announced by the Company on 25 September 2006 and approved by Shareholders at a General Meeting of the Company on 26 October 2006.

<sup>2</sup> Based on the total number of ordinary shares in the Company at completion of the Offer multiplied by the Offer Price. The actual share price may vary from the Offer Price.

<sup>3</sup> Based on the sum of 16,000,000 New Shares subscribed for by MFL under the Offer (on the same terms as all other Applicants) and 3,440,000 ordinary shares in the Company that it owned prior to the Offer.

<sup>4</sup> The pro forma Net Tangible Assets (NTA) includes accrual of estimated costs associated with the Offer of \$4,288,750 being the underwriting fees, legal fees, arranging fees, experts' and advisors' fees. Further information on the pro forma balance sheet of the Company is contained in section 4.

## KEY INVESTMENT HIGHLIGHTS AND KEY INVESTMENT RISKS

### Key Investment Highlights

<p>Attractive business model</p>	<p>The Company's strategy is to invest in structured finance transactions. Investing in the Company will provide investors with exposure to attractive asset classes in a diversified ASX-listed vehicle. The attractiveness of this business model was demonstrated through the historical performance of Record Investments Limited, an ASX-listed company specialising in investing in structured finance transactions (now called Allco Finance Group Limited).</p> <p>Please note that past performance is not a reliable indicator of future performance and the Company does not make any assurances that it will be able to successfully replicate the performance of Record Investments Limited.</p>	<p>See section 1.2</p>
<p>Disciplined investment strategy</p>	<p>The Company's objective is to generate consistently high returns, comprising income and capital growth, over the medium term by investing in a diversified portfolio of asset, project and cash flow backed loans and investments. The Company will adopt a disciplined investment strategy and risk management framework to regulate its activities.</p>	<p>See section 1.3</p>
<p>Experienced board and management</p>	<p>The Company will be guided by a Board, the members of which collectively possess strong relationships in the Australian financial services market and have extensive and diverse operating, transaction execution and investing experience, particularly in the area of structured finance. The Managing Director is Mark Phillips, who was also the managing director of Record Investments Limited from 2002 to 2006. During Mark Phillips' tenure as managing director of Record Investments, the market capitalisation of that company increased from under \$200 million to over \$1.5 billion.</p> <p>Please note that past performance is not a reliable indicator of future performance and the Company does not make any assurances that it will be able to successfully replicate the performance of Record Investments Limited.</p>	<p>See sections 3.2 and 3.3</p>
<p>Multiple transaction partners</p>	<p>The Company's strategy is to invest in transactions arranged by a number of strategic partners. As the Company does not compete as an arranger of transactions, it expects to be able to develop mutually beneficial relationships with a number of transaction arrangers and intends to allocate its capital to the most attractive opportunities.</p>	<p>See section 1.5</p>

<b>Relationship with Mariner Financial</b>	One of the Company's transaction partners is Mariner Financial Limited (MFL), an ASX-listed financial services management company which has given the Company a right of first refusal over investment opportunities that it originates. The Company expects to work closely with MFL across its designated core asset classes. This alignment of interests is reflected in a commitment from MFL to subscribe for \$20 million of New Shares in the Company resulting in an ownership interest of 18.1%.	See section 1.6
<b>Investment at NTA</b>	The Offer provides the opportunity to invest in the Company at approximately the NTA backing of the shares, adjusted for the fees and costs of the Offer.	

### Key Investment Risks

The key risks highlighted below, together with other risks, are more particularly described in section 5.

<b>The Company does not have a proven track record</b>	While some of the Directors have successfully implemented a similar business strategy as directors in another organisation, the Company itself does not have a proven track record in successfully operating this business.	See section 5.1
<b>Identification of investments</b>	Other than the investments outlined in section 1.4.3 (which represent 9.6% of the net funds to be raised under the Offer), the Company has not identified specific investments in which to fully invest the net proceeds of the Offer. Delays in investing the net proceeds of this Offer on suitable terms may have an adverse impact on the Company's performance.	See section 5.2
<b>Deal flow</b>	The future performance of the Company and the returns available to Shareholders will be dependent upon the identification, recognition and availability of suitable investment opportunities. There is no assurance that the Company will be able to source investments that will enable it to meet its performance objectives.	See section 5.3
<b>Competition for deals</b>	The Company will operate in a competitive market for investment opportunities with competitors who may have greater resources, a lower cost of capital and the ability to borrow money at lower rates than those at which the Company can borrow money. This may cause the Company to lose investment opportunities or cause the Company to have to make investments on less favourable terms and, as a result, the value of the Shares and/or dividends may be adversely impacted.	See section 5.4
<b>Concentration of assets</b>	The Company's investments may be concentrated in a limited number of assets, or asset classes, particularly in the initial stage of implementing its new business strategy when it is accumulating its investment portfolio. Consequently, the Company's performance may be dependent on the success of a small number of its investments.	See section 5.5

Not all members of management team have been appointed	The expertise and ability of the Company's management team is critical to the performance of the Company. However, not all members of the management team have been appointed. Key positions may not be filled at the time of the Offer.	See section 5.6
Key personnel	The success of the Company is largely dependent on the performance of its Directors and management staff. The loss of or failure to recruit the services of these persons may have a materially adverse effect on the Company's business and prospects.	See section 5.7
Borrowing	The Company intends to gear its operations by borrowing to invest. The individual transactions in which the Company invests may also be geared. The effect of borrowing is that gains and losses are magnified. Further, entities that borrow are potentially exposed to adverse interest rate movements which may increase the costs and financial risks inherent in those entities. The exposure may be managed by using interest rate hedges. However, the cost of hedges may increase and the Company may have some interest payments unhedged.	See sections 5.8 and 5.9
Foreign exchange	The Company has already invested in, and is likely to invest further in, investments denominated in currencies other than the Australian Dollar. As such, the Company may be exposed to movements in exchange rates, the impact of which cannot be reliably predicted. The Company will seek to hedge significant exposure. However, the cost of hedging may increase and some cash flows may be unhedged.	See section 5.13
Investment liquidity risk	The Company has already invested in, and is likely to invest further in, assets that do not have an active secondary market (or that market is volatile) or for which there are only a limited number of potential investors.	See section 5.11
Business risk	The Company's investment mandate is likely to result in investment exposure to the underlying performance of a number of industry sectors.	See section 5.16

### Share Scheme – Impact of AIFRS

Under AIFRS, the Company will be required to bring to account an expense associated with the Share Scheme. The quantum of this expense will not be known until the grant date of the relevant Shares and will be dependent on a number of factors, including the Company's share price at the grant date.

The bringing to account of this expense may have a number of impacts upon the financial performance of the Company, including, but not limited to:

- decreasing the quantum of dividend the Company is able pay to shareholders; and
- impacting the diluted earnings per share of the Company.

# 1. Investment Overview

## 1.1 THE OFFER

The Company is offering 100 million New Shares at \$1.25 per Share to raise gross proceeds of \$125 million. The Offer comprises a Foundation Offer and a General Offer.

The Foundation Offer is open to Institutional Investors who are shareholders in one or more companies in the Mariner group and certain select wholesale clients. Applications have already been received and firm allocations have been made for 62 million New Shares. Of the New Shares available under the Foundation Offer, 52 million will be allocated on 31 October 2006, with the remaining 10 million New Shares to be allocated by 27 November 2006.

The General Offer consists of the Institutional Offer, the Broker Firm Offer and the General Retail Offer. Under the General Offer, 38 million of the New Shares will be made available. See section 2.1 for further information about the General Offer.

The Company is listed on the Australian Stock Exchange (ASX) and trades under the ASX code MBR. Following the completion of the Offer, the Company will have a total of approximately 107.4 million Shares on issue.

The General Offer is jointly lead-managed and fully underwritten by Commonwealth Securities Limited and Macquarie Equities Limited (the Joint Lead Managers). The Company reserves the right to withdraw the Offer at any time.

## 1.2 COMPANY OVERVIEW

The Company's strategy is to invest in structured finance transactions. The Company intends to invest in, and make loans to, structured finance transactions focused on the designated core asset classes of property, infrastructure, fixed income and leases over tangible assets. The Company has already made two investments as outlined in section 1.4.3.

The objective of the Company is to generate consistently high returns, comprising income and capital growth, over the medium term by investing in a diversified portfolio of asset, project and cash flow backed loans and investments. The Company will adopt a disciplined investment strategy and risk management framework to regulate its activities.

It is anticipated that the transactions in which the Company invests will be arranged by a number of strategic partners, including MFL. As the Company does not compete as an arranger of transactions, it expects to be able to develop mutually beneficial relationships with a number of transaction arrangers. It will allocate its capital to the most attractive opportunities.

The Company has appointed a Board, the members of which are highly experienced in the evaluation of, and investment in, structured finance transactions and have strong relationships in the Australian financial services market. In particular, the Managing Director of the Company, Mark Phillips, was formerly the managing director of Record Investments Limited, an ASX-listed investor in structured finance transactions which changed its name to Allco Finance Group Limited (Allco) when it merged with Allco on 30 June 2006. During Mark Phillips' employment at Record from 2002 to 2006, the market capitalisation of that company increased from under \$200 million to over \$1.5 billion. Please note that past performance is not a reliable indicator of future performance and the Company does not make any assurances that it will be able to successfully replicate the performance of Record Investments Limited.

The Company intends to employ a small senior management team, experienced in the banking and finance, investment and structured finance industries, that will report to Mark Phillips.

### 1.3 INVESTMENT STRATEGY OF THE COMPANY

The investment strategy of the Company is to invest in structured finance transactions arranged or generated by financial institutions external to the Company. These investments are expected to offer both strong income returns and potential for capital growth.

The Company intends to make loans and equity investments to develop an investment portfolio with the following characteristics:

- attractive returns for the level of risk assumed;
- short to medium investment terms; and
- diversification by asset type, location of asset, industry, counterparty and term.

Initially, the Company will target investments in the core asset classes of property, infrastructure, fixed income and leases over tangible equipment where it believes there to be opportunities. The level of investment into any particular asset class is not restricted. The Company will primarily source investment opportunities from financial institutions such as MFL and other entities with which the Company develops relationships from time to time.

The Company's investments will typically take the form of a debt and/or equity investment in an entity that owns the assets or project in which the Company desires to participate. The individual transactions in which the Company invests may be geared with levels of prior ranking debt to enhance the potential investment returns to the Company. This gearing will generally be structured on a non-recourse basis to the Company and will be set at levels which the Company believes to be reasonable for the particular transaction.

In certain circumstances, the Company will make loans to entities that will be related to, or affiliated with, the Company. However, all loans and other investments made by the Company will be on an arm's length basis.

The Company expects that it will typically achieve a return from an investment through one or more of the following components:

- upfront fees on the establishment of the Company's investment or loan facility;
- interest or dividend income over the term of the investment;
- profit upon the successful realisation of an investment; and
- in certain situations where the Company's investing activity has resulted in the creation of a managed fund, the Company may benefit by earning a share of future funds management fees arising from the relevant fund.

The magnitude of each fee component will depend on the characteristics of each transaction and the nature of the underlying assets that are being financed.

The Company intends to be an absolute return investor with the Australian Dollar as its functional currency. Wherever possible for reasonable cost, the Company will hedge foreign currency and interest rate risks in its portfolio. Where loans and investments are denominated in foreign currencies, the Company intends to hedge the principal amounts and expected income of such loans and investments back to Australian Dollars. For example, the Company has used a forward currency contract to hedge both the principal and income components of its investment in the asset backed security referred to in section 1.4.3. The counterparty to the forward currency contract is an investment grade bank. Typically, the interest rates on non-recourse transaction-level debt will also be fixed for at least the anticipated term of the Company's investment in the relevant transaction.

### 1.3 INVESTMENT STRATEGY OF THE COMPANY (CONT'D)

In addition to transaction-level gearing, the Company intends to put in place a corporate loan facility with one or more commercial banks. This loan facility will be fully recourse to the Company and will be used to:

- increase the size of the Company's investment portfolio;
- manage the Company's liquidity; and
- enhance the potential return on equity for Shareholders.

The Company is confident that it can secure such a credit facility on attractive terms and anticipates that it may in time be able to leverage its balance sheet to a debt to equity ratio in the order of 100%.

It is anticipated that the proceeds from the Offer, prior to any drawdown on the Company's loan facility, will be fully invested by 30 June 2007. The nature of investing by the Company is subject to uncertain negotiation and settlement timeframes. As a result, full investment of the proceeds of the Offer may be achieved earlier or later than this date. The Company's present intention is to use the loan facility to make additional investments before considering other forms of financing. Other forms of financing that the Company will consider include:

- introducing co-investors for individual transactions or groups of transactions;
- the on-sale of investments to one or more managed funds to be established and managed solely by the Company or managed jointly with MFL;
- additional external financing such as subordinated debt and/or hybrid securities; and
- additional ordinary equity capital.

### 1.4 TARGETED ASSET CLASSES

The Company's investment strategy is to invest in structured finance transactions in the designated core asset classes of property, infrastructure, fixed income and leases over tangible assets. Examples of the types of loans and investments that the Company may make are outlined below.

#### 1.4.1 Property

The Company may make mezzanine loans and quasi-equity investments against completed and development real estate.

The Company may make investments to enable MFL to warehouse international and Australian commercial real estate assets that would form all or part of a fund to be managed by MFL. In such circumstances, the Company would potentially earn shorter term investment returns plus a longer term share of funds management fees arising from the relevant fund. The Company may provide such asset warehousing loans to third party funds management companies.

The Company may also use its capital to make mezzanine loans to existing managed funds holding real estate assets, including funds managed by MFL, underwrite the sale of new managed funds and hold units in listed and unlisted managed funds.

#### 1.4.2 Infrastructure

The Company may make equity investments in infrastructure projects, including the renewable energy and water industries. Initially, it is expected that such projects may be in Australia, Europe, North America and Asia. The Company's primary objective in making such investments will be to create a portfolio of infrastructure assets that can be distributed to retail and/or wholesale investors. The Company would potentially earn investment income on the capital deployed and, in due course, a share of funds management fees.

### 1.4.3 Fixed Income

The Company may make equity and subordinated investments in securitisation programs. Such programs may be located in Australia, Europe and the United States. The securitisation programs may invest in asset classes such as residential and commercial mortgage backed securities and portfolios of corporate loans.

The Company intends also, in partnership with MFL, to launch a higher yield investment product targeted at investor funds managed by financial planners. The Company would be the fund's investment manager. The fund would invest in subordinated and other higher yielding loans. The Company would also be an equity investor in the fund, potentially earning an attractive return on its capital.

As at the date of this Prospectus, the Company has the following fixed income investments:

- A US\$4.5 million asset backed security issued by a securitisation vehicle that owns structured collateralised loan obligations, commercial real estate repackaging securities and US residential mortgage backed securities. The specific security is a floating rate note bearing interest at a per annum rate equal to LIBOR plus 6.50%.
- A \$5.5 million loan for a term of three years made to a listed resources company which will use these funds to expand its operations. The loan is a floating rate loan with interest payable at a per annum rate equal to the bank bill rate plus 3.50%. Security is held in the form of a charge over specific assets of the listed resources company. In addition to the interest rate, there are other fees payable on the facility and there is also a synthetic option which may lead to further upside returns in the future.

### 1.4.4 Leasing

The Company may make loans to, and equity investments in, a range of asset classes that involve tangible assets leased to creditworthy counterparties. Such transactions would be arranged by financial institutions external to the Company and could involve:

- commercial aircraft;
- commercial shipping;
- passenger and freight-carrying trains; and
- office equipment, such as computers, printers, photocopiers and telephones.

In such asset classes, the Company's objective is to build investment portfolios that offer attractive returns and which could be used to create new managed funds. This could provide the Company, in due course, with the opportunity to earn funds management fees.

The Company may also work with MFL to develop leasing products in agricultural industries, such as beef cattle.

### 1.4.5 Other Assets

In addition to the designated core asset classes, the Company may invest opportunistically in other transactions, provided they comply with the criteria set out in the Company's risk management framework which is outlined in section 1.7.

## 1.5 RELATIONSHIPS WITH ASSET ORIGINATION PARTNERS

The Company's core investment strategy is to work with other financial institutions that will arrange the transactions in which it invests.

The Company's primary relationship is with MFL. It is expected that the Company will source transactions through MFL in all four of its core asset classes of property, infrastructure, fixed income and leasing.

The Company expects to develop mutually beneficial relationships with a range of other institutions which may potentially provide investment opportunities to the Company.

The Company's asset origination relationships are expected to develop and evolve over time. The firms which the Company may work with initially include:

- **Global Capital Finance:** An international investment banking and financial services firm headquartered in New York with offices in Frankfurt and Sydney. The Company intends to work closely with Global Capital Finance in the areas of infrastructure and leasing.
- **Meridian International Capital Limited:** An Australian-based investment bank with five professional principals. The Company intends to work closely with Meridian in the areas of fixed income and other structured investments.

The Company intends to work closely with global investment banks in the area of fixed income and, in particular, the United States securitisation market.

The Company is not under any obligation to take up investment opportunities presented by MFL or any of its other transaction partners and will assess all eligible investment opportunities introduced from any source on their respective merits and fit with the Company's investment strategy.

## 1.6 RELATIONSHIP WITH MARINER FINANCIAL LIMITED

MFL has been established in its current form since July 2003 and aims to be a leading provider of innovative financial products in Australia. To this end it has established strong capabilities in the development, structuring, distribution and management of financial products.

MFL is listed on the Australian Stock Exchange (ASX code: MFI) and is subject to the continuous disclosure rules of the ASX. Further information on MFL can be obtained from the website <[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>.

MFL will subscribe for 16 million New Shares under the Offer or \$20 million on the same terms as all other Applicants. Based on this level of subscription, MFL's shareholding in the Company at completion of the Offer will be 19.44 million Shares, or 18.1% of the Company.

It is anticipated that the Company will work closely with MFL to source investment opportunities in each of the Company's core asset classes.

On 26 October 2006, the Company and MFL executed a Service Agreement. Under the terms of this Agreement, MFL has granted the Company a right of first refusal over any investment opportunity it originates which requires external funding. In addition, MFL has agreed to provide certain administrative services to the Company in order to maximise the cost efficiency of the Company. Further details of the terms of the Service Agreement are contained in section 6.2.

## 1.7 RISK MANAGEMENT FRAMEWORK

The Company intends to adopt a comprehensive risk management framework in order to manage and mitigate any risks that may arise from its activities. Under this framework, the Board will from time to time establish investment standards, oversee those investment standards and regularly monitor compliance with the risk management framework. In addition, the framework will provide guidelines for maximum portfolio concentrations by asset class and counterparty.

In accordance with the risk management framework, the Company will target investments with the following characteristics:

- asset, project or cash flow backed and typically underpinned by physical or financial assets;
- investment terms that are expected to be short to medium term, with average lives typically in the range of two to three years;
- several avenues exist for the realisation of the investment, such as repayment of loan, sale to third party or sale to a managed fund;
- whenever possible, the Company will co-invest with its strategic partners to align its interests with those of the arranger and/or manager of the transaction; and
- contribute to the diversification of the investment portfolio by asset type, industry exposure, geographic region and individual counterparty.

The Board will also establish delegation limits. It is expected that the Board will retain direct approval authority over individual investments that are large or non-routine.

## 1.8 RISK FACTORS

As with any investment in the stockmarket, an investment in the Company has a number of risks which may impact its future performance. Many of these risks are outside the control of the Company and its Directors and cannot be completely mitigated. Some are general risks while others are risks specific to an investment in the Company.

Before deciding whether to apply for Shares, prospective investors should read the entire Prospectus, and in particular should consider the risk factors, summarised in section 5 that could affect the future financial performance of an investment in the Company.

## 1.9 ENQUIRIES

Investors with any questions on how to complete the Application Form or who require additional copies of the Prospectus should contact the Registry between 8.30am to 5.30pm (AEST) Monday to Friday by telephone on 02 9290 9600 or by fax on 02 9279 0664 or their Retail Broker.

## 2. Application Details

### 2.1 STRUCTURE OF THE GENERAL OFFER

The General Offer is structured as follows:

- the Institutional Offer, which is open to Institutional Investors;
- the Broker Firm Offer, which is open to Australian retail investors who have received a firm allocation of New Shares from their Broker; and
- the General Retail Offer, which is open to Australian resident retail investors.

In the event of a scale-back, Australian resident Applicants who are holders of Shares in the Company as at 7.00pm on 10 November 2006 (Priority Applicants) will be eligible to receive a Priority Allocation over General Retail Applicants.

The Offer Price for each New Share is the same for all Applicants and is \$1.25.

The Joint Lead Managers will, in consultation with the Company, determine the respective number of New Shares to be made available through the Institutional Offer, Broker Firm Offer and General Retail Offer.

Once received by the Registry or a Retail Broker, Application Forms cannot be withdrawn.

The Closing Date for the General Offer is expected to be 20 November 2006.

### 2.2 HOW TO APPLY

#### 2.2.1 Institutional Offer

The Institutional Offer is open to Institutional Investors in Australia. Applications under the Institutional Offer may only be submitted through the Joint Lead Managers or as they permit. Full details on how to participate will be provided to Institutional Investors by the Joint Lead Managers.

#### 2.2.2 Broker Firm Offer

The Broker Firm Offer is open to Retail Investors who receive this Prospectus in Australia and who have also received a firm allocation from a Retail Broker. Such investors will be treated as Broker Firm Applicants under the Offer. Applications under the Broker Firm Offer must be for a minimum of 1,600 New Shares and in multiples of 400 New Shares thereafter.

If you have received a firm allocation of New Shares from a Retail Broker to the Offer, your Retail Broker will be acting as your agent in acquiring New Shares. You should obtain a copy of this Prospectus from your Retail Broker and apply for New Shares using the Application Form accompanying this Prospectus. A Retail Broker may to the extent permitted by law make this Prospectus available on its website and provide an online application facility for the submission of online Application Forms and Application Monies.

If you have received a firm allocation of New Shares from a Retail Broker and are in any doubt about what action you should take, you should immediately contact the Retail Broker from whom you have received that firm allocation.

For Broker Firm Applicants, completed Application Forms together with the Application Monies must be returned to the Retail Broker from whom they received the allocation of New Shares in accordance with the Retail Broker's instructions.

Applicants who have received a firm allocation of New Shares from a Retail Broker should make their cheque payable to their Retail Broker or as instructed by the Retail Broker, and deliver their completed Application Form and Application Monies in accordance with the instructions of the Retail Broker. Broker Firm Applicants should not send their Application Forms to the Registry.

Online Application Forms and Application Monies lodged with a Retail Broker providing an online application facility must be lodged in accordance with the instructions provided by the Retail Broker.

### **2.2.3 General Retail Offer**

Applications under the General Retail Offer must be for a minimum of 1,600 New Shares and thereafter in multiples of 400 New Shares.

Applications under the General Retail Offer can be made by completing and lodging the Application Form accompanying this Prospectus. The Application Form must be completed and payment made in accordance with the instructions set out on the reverse side of the Application Form.

Priority Applicants should use the Priority Application Form to apply for New Shares. A Priority Application Form is a separate personalised blue application form. If you are a Priority Applicant and do not receive a Priority Application Form by Monday, 6 November 2006, please contact the Registry by telephone on 02 9290 9600 or by fax on 02 9279 0664. If you apply using a general Application Form, you will not be eligible for a Priority Allocation.

It is the intention of the Company that Priority Applicants will be allocated a minimum amount of New Shares being the lesser of the number of Shares applied for under the General Retail Offer and the number of existing Shares held by the Priority Applicant as at 7.00pm on 10 November 2006, excluding any New Shares acquired under the Foundation Offer. Please see section 2.3 regarding allocation of New Shares.

Applications and Application Monies must be received by the Registry no later than 5.00pm (AEST) on the Closing Date, expected to be 20 November 2006 unless that date or time is varied. The Company may in consultation with the Joint Lead Managers, at their discretion and without prior notice, close the Offer at an earlier date, extend the Offer, withdraw the Offer, vary the dates and times of the Offer, or accept late Applications.

Applicants are not required to sign the Application Form. The Company reserves the right to reject any Application Form which is not correctly completed or which is submitted by a person whom they believe may be an ineligible Applicant, or to waive or correct any errors made by an Applicant in completing any Application Form.

## 2.2 HOW TO APPLY (CONT'D)

Application Forms must be accompanied by a cheque in Australian Dollars drawn on an Australian branch of an Australian bank. Cheques should be made payable to 'Mariner Bridge Investments Limited' and crossed "Not Negotiable". All amounts must be in cleared funds. Please do not send cash. Receipts for payment will not be issued.

Completed Application Forms and Application Monies can be mailed to the Registry or delivered in person. The following addresses should be used for mailing and hand delivery of Applications:

### Mailing Address

Registries Limited  
Mariner Bridge Offer  
PO Box R67  
Royal Exchange  
Sydney NSW 1223

Or hand deliver to:

Registries Limited  
Mariner Bridge Offer  
Level 2, 28 Margaret Street  
Sydney NSW 2000

Applicants should read this Prospectus in its entirety before deciding to complete and lodge an Application Form. Potential investors are encouraged to submit their Application as early as possible, as the Offer may be closed before the indicated Closing Date without prior notice.

## 2.3 ALLOCATION POLICY

The allocation of New Shares amongst Applicants in the Institutional and General Retail Offers will be determined by the Company and the Joint Lead Managers at their absolute discretion. There is no assurance that any Applicant will be allocated any New Shares, or all of the New Shares, for which they have applied. To the extent that any Application is not satisfied in whole, Application Monies which have not been allocated will be refunded without interest.

Applicants under the Broker Firm Offer will be issued the number of New Shares allocated to them by their Retail Broker.

If the number of New Shares applied for is greater than the number of New Shares available, Applications will be scaled back. In the event of a scale-back, Priority Applicants will receive a priority application from a pool of around 3,900,000 New Shares.

It is the intention of the Company that Priority Applicants will be allocated a minimum amount of New Shares being the lesser of the number of Shares applied for under the General Retail Offer and the number of existing Shares held by the Priority Applicant as at 7.00pm on 10 November 2006, excluding any Shares acquired under the Foundation Offer.

## 2.4 ALLOTMENT

No allotment of New Shares allocated under the General Offer will be made until permission has been granted by ASX for the quotation of the New Shares unconditionally or on terms acceptable to the Directors. It is expected that allotment of the New Shares allocated under the General Offer will take place on 27 November 2006. All Application Monies under this Offer will be held in a subscription account on behalf of the Applicants until allotment.

No certificates will be issued in respect of the New Shares. Following allotment, successful Applicants will be sent a holding statement which sets out the number of New Shares allotted to them. It is the responsibility of each Applicant to confirm their holding before trading in New Shares. Applicants who sell New Shares before they receive their holding statement do so at their own risk. The Company and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who trade their New Shares before receiving their holding statement.

## 2.5 ASX QUOTATION

The Company will apply for official quotation on ASX of the New Shares allocated under the General Offer no later than seven days after the date of this Prospectus. If the New Shares are not officially quoted within three months of the date of this Prospectus, any allotment of New Shares will be void and all Application Monies will be returned to Applicants. Interest will not be paid on Application Monies that are refunded. Trading of New Shares allocated under the General Offer on ASX is expected to commence on 7 December 2006.

## 2.6 WITHDRAWAL OF THE OFFER

The Company reserves the right to withdraw this Prospectus and the Offer at any time before the issue of New Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded without interest. Any interest earned on Application Monies prior to withdrawal will be retained by the Company.

## 2.7 PRIVACY NOTIFICATION

The Application Form requires you to provide information that may be personal information for the purposes of the *Privacy Act 1988* (Cth) (as amended). The Company (and the Registry on its behalf) collect, hold and use that personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and to administer the Company.

The information may also be used from time to time to inform you about other products or services, offered by the Company and any of its subsidiaries, and the Mariner group which the Company considers may be of interest to you.

Access to information may be provided to the Company and any of its subsidiaries, and the Mariner group and to agents and service providers on the basis that they deal with such information in accordance with the Mariner group's privacy policy.

If you do not provide the information requested of you in the Application Form, the Registry will not be able to process your application for New Shares or administer your holding of Shares appropriately.

## 2.7 PRIVACY NOTIFICATION (CONT'D)

Under the *Privacy Act 1988* (Cth) (as amended), you may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by telephoning the Registry on 02 9290 9600 or writing to the Registry as follows:

Registries Limited  
Mariner Bridge Offer  
PO Box R67  
Royal Exchange  
Sydney NSW 1223

The Company has adopted the Mariner group privacy policy. You can obtain a copy of that policy by visiting the Mariner website at <[www.marinerfunds.com.au](http://www.marinerfunds.com.au)>.

## 2.8 ENQUIRIES

Please contact the Registry between 8.30am to 5.30pm (AEST), Monday to Friday on 02 9290 9600 if you have any questions relating to the Offer.

# 3. The Company

## 3.1 THE COMPANY

Prior to 26 October 2006, the Company was known as Mariner Wealth Management Limited and pursued a strategy of investing in start-up funds management businesses as a listed Pooled Development Fund. Following a strategic review, the Board of the Company resolved to adopt the strategy of becoming an investor in structured finance transactions, which it announced on 29 August 2006.

The Company held a General Meeting of its Shareholders on 26 October 2006 to consider a series of resolutions which were necessary for the Company to pursue its new strategic direction. These included resolutions to change the nature and scale of the Company's activities, consolidate the Company's Shares on issue on the basis of one Share for every five Shares on issue, issue New Shares under the Offer, change the name of the Company to Mariner Bridge Investments Limited, authorise the establishment of a Director and Employee Share Scheme and issue Shares under this Share Scheme to Directors. All of the resolutions were carried at the meeting.

Further information on the Company and its recent operating and financial performance can be obtained from the Company's 2006 Annual Report, which was lodged with the Australian Stock Exchange on 29 August 2006. For details of the pro forma balance sheet of the Company reflecting the impact of the Offer, see section 4.

## 3.2 BOARD OF DIRECTORS

The Board of Directors will establish the overall strategy of the Company, monitor the establishment of appropriate corporate policies, including the risk management policy, and monitor compliance with these policies. The Board will also oversee the recruitment of the management team and ensure that remuneration levels are set appropriately for the types of roles being fulfilled.

The Board will delegate authority to the Managing Director and other members of the management team and, from time to time, will review the levels of delegated authority that it has provided. It is expected that the Board will retain the authority to authorise transactions that are large or are non-routine.

### 3.2 BOARD OF DIRECTORS (CONT'D)

The Company has an experienced Board with the skills necessary to oversee the investment of the Company's capital and the management of its investment portfolio. Collectively, Board members have experience in structured finance transactions, investment banking, corporate management and the legal profession.

The directors were appointed on 26 October 2006, except for Mr Ian Ingram, who was appointed on 25 January 2005 and Mr Mark Phillips, who was appointed on 29 August 2006.

**IRENE LEE**  
Executive Chairman



**Irene Lee** *B.A., Smith College, Massachusetts, USA; Barrister-at-Law, Honourable Society of Gray's Inn, London*

Irene Lee has an extensive background in the finance industry. Over the past 20 years, she has held senior positions in investment banking and funds management in the UK, USA and Australia.

Previously, Irene was an executive director of Citicorp Investment Bank, Head of Corporate Finance at the Commonwealth Bank of Australia and CEO of Sealcorp Holdings Limited. She was also formerly a non-executive director of Record Investments Limited, Mariner Financial Limited, Beyond International Limited, Record Funds Management Limited and Bio Tech Capital Limited.

Irene is currently a non-executive director of QBE Insurance Group, Ten Network Holdings Limited and ING Bank (Australia) Limited. She is also a member of the Takeovers Panel, the Advisory Council of JP Morgan Australia and the Executive Council of the UTS Faculty of Business and is a Trustee of the Art Gallery of NSW.

**MARK PHILLIPS**  
Managing Director



**Mark Phillips** *B.Comm. (Honours), Master of Commerce, University of New South Wales*

Mark Phillips has over 25 years experience in investment markets with expertise in managing investments, building portfolios and developing funds management businesses.

Before joining the Mariner group in March 2006, Mark was the managing director of Record Investments Limited for over four years where he played a key role in building the company's market capitalisation from under \$200 million to over \$1.5 billion.

Prior to this Mark was employed by the Commonwealth Bank of Australia for 20 years in various roles, including Chief Dealer – Interest Rate Swaps, Head of Long End Trading, Head of Quantitative Analysis, Head of Property Finance, and Head of Government Finance.

He has been a director of Interlink Roads Pty Limited (operator of the M5 Motorway in Sydney) and a director of ASB Bank Limited in New Zealand.

## IAN INGRAM

Non-Executive Director



**Ian Ingram** *B.A., University of New South Wales; B.Sc (Econ) (Honours), University of London; Barrister-at-Law, Honourable Society of Lincoln's Inn, London*

Ian Ingram is an investment banker with over 25 years experience in international financial markets. He was formerly a Vice President of Morgan Guaranty Trust Company of New York (Morgan) based at different times in Morgan's London, New York and Sydney offices and finally an Executive Director and the Head of Mergers and Acquisitions at JP Morgan Australia Limited based in Sydney.

Ian left Morgan after approximately 9 years in 1986 to form his own corporate advisory and investment group, which included Australian Assets Corporation Limited (the former name of Mariner Financial Limited) and Claridge Capital Limited (the former name of Beyond International Limited) both of which are listed on the ASX.

Ian is currently Chairman of Beyond International Limited, Deputy Chairman of Mariner Financial Limited and a Director of Mariner Retirement Solutions Limited as well as Chairman of various private venture capital and investment companies. Ian is resident in London.

## PHILIP LEWIS

Non-Executive Director



**Philip Lewis** *B.Ec., LLB, Sydney University*

Philip Lewis has over 24 years experience in law and investment banking.

Philip practised law for seven years before undertaking a 17 year career in investment banking at Credit Suisse Group and its predecessor organisations.

At Credit Suisse Group, he was instrumental in building the structured debt/asset backed securities business and financial institutions franchise and played a major role in several landmark transactions in the financial services industry.

Philip has also participated in merger and acquisition, capital markets and advisory transactions across mining, food, transport, real estate and various other sectors.

## MICHAEL PERRY

Non-Executive Director



**Michael Perry** *B.Comm., University of New South Wales*

Michael Perry has 30 years experience in merchant banking, primarily project financing infrastructure projects in Australia, South East Asia and the UK. He was executive director in charge of project finance at both Capel Court and Citibank Australia, non-executive director of the companies formed to develop the Gateway Bridge in Brisbane, the Yulara Township in central Australia and the electricity interconnector between Tasmania and the Australian mainland.

In 1985 he established his own business to advise on such projects as the Sydney Harbour Tunnel and Sydney's M2 Tollway. He has held a number of government posts, such as chairman of the NSW taskforce to establish guidelines for private sector development of infrastructure and chairman of the Australian Council for Infrastructure Development, the peak industry body in Australia.

He has been a non-executive board member of the Development Australia Fund and Record Investments Limited. He is currently retained by a number of major local and international companies involved in banking, insurance and manufacturing.

### 3.3 MANAGEMENT TEAM

In addition to the Board and Managing Director, the Company will employ a small dedicated management team, which will report to the Managing Director and work closely with the Executive Chairman and Board.

It is proposed that the initial executive team recruited will include the following:

<b>Chief Financial Officer and Company Secretary</b>	Responsible for the overall financial management of the Company, including maintaining relationships with external stakeholders including Shareholders and commercial banks.
<b>Chief Investment Officer</b>	Responsible for the establishment and maintenance of the Company's investment evaluation and risk management processes, the evaluation of new investment opportunities, the management of existing credit exposures within the Company's portfolio and, together with the Executive Chairman and Managing Director, maintaining relationships with transaction arrangers.
<b>Office Manager</b>	Responsible for administration of the day-to-day activities of the Company.

The current intention is for the management team to remain small and focused. The Service Agreement with MFL provides for sharing of administrative services between the two companies, which is expected to result in an efficient cost structure for both companies.

## 4. Financial Information

### 4.1 PRO FORMA CONSOLIDATED BALANCE SHEET

The following pro forma consolidated balance sheet represents the consolidated financial position of the Company prepared in accordance with the recognition and measurement requirements of AIFRS. The pro forma consolidated balance sheet demonstrates the balance sheet of the Company based on the audited balance sheet as at 30 June 2006 and following completion of the Offer and post 30 June 2006 material transactions as detailed below:

#### 4.1.1 Adjustments for Capital Raising

- the sale of investments accounted for using the equity method for cash to MFL (for their book value which was \$200,270 as at 30 June 2006) and the on-market sale of trading assets (for their book value which was \$56,116 at 30 June 2006); and
- the write-down of an unlisted investment to \$Nil (book value at 30 June 2006: \$665,548) as the investment is no longer recoverable due to the change in circumstances of the investment subsequent to year end.

#### 4.1.2 Adjustments for Asset Acquisitions

- the acquisition on 27 October 2006 of the Mariner Bridge Investments Trust which holds two assets, a loan (A\$5,540,000) and a US dollar denominated asset backed security (US\$4,500,000, or A\$6,021,678), as described in section 1.4.3.

#### 4.1.3 Adjustments for Capital Raising

- the issue of 100 million New Shares under the Offer at an issue price of \$1.25 per Share; and
- the payment by the Company of estimated costs associated with the Offer of \$4,288,750 being the underwriting fees, legal fees, arranging fees, experts' and advisors' fees and other costs associated with the Share issue. These costs have been offset against Contributed Equity.

#### 4.1.4 Pro Forma Balance Sheet

	Audited Actual at 30/06/2006 \$	Adjustments for asset divestments \$	Adjustments for asset acquisitions \$	Adjustments for capital raising \$	Pro forma at 30/06/06 \$
<b>Current assets</b>					
Cash and cash equivalents	7,167,532	256,386	(11,561,678)	120,711,250	116,573,490
Available for sale investments	1,530,548	(665,548)			865,000
Other current assets	150,657	(56,116)			94,541
Total current assets	<u>8,848,737</u>				<u>117,533,031</u>
<b>Non-current assets</b>					
Investments accounted for using the equity method	200,270	(200,270)			0
Loans and receivables			11,561,678		11,561,678
Total non-current assets	<u>200,270</u>				<u>11,561,678</u>
Total assets	<u>9,049,007</u>				<u>129,094,709</u>
<b>Current liabilities</b>					
Payables	146,626				146,626
Total current liabilities	<u>146,626</u>				<u>146,626</u>
Total liabilities	<u>146,626</u>				<u>146,626</u>
Net assets	<u>8,902,381</u>				<u>128,948,083</u>
<b>Equity<sup>1</sup></b>					
Contributed equity	9,110,309			120,711,250	129,821,559
Accumulated losses	(686,410)	(665,548)			(1,351,958)
Reserves	478,482				478,482
Total equity	<u>8,902,381</u>				<u>128,948,083</u>
<b>Per Share Analysis</b>					
Number of Shares	7,384,880				107,384,880
NTA per Share	\$1.21				\$1.20

1 Shares to be issued under the Share Scheme will be accounted for as set out in section 4.2.6.

## 4.2 NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET

The financial information presented has been prepared in accordance with the recognition and measurement principles of AIFRS, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act in Australia. The balance sheet is presented in accordance with the historical cost convention unless otherwise stated.

The Company's accounting policies are substantially the same as those applied by Mariner Wealth Management Limited, as disclosed in its 30 June 2006 annual report, with the material exceptions being as set out below.

### 4.2.1 Principles of Consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company, under which cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

### 4.2.2 Investments

The Company and its controlled entities may make a range of investments which may result in it obtaining varying degrees of influence over those entities.

Where the investment provides the Company with control over that entity, the Company will consolidate that investment from the date it acquires control. All balances and transactions arising from intra group transactions will be eliminated in full.

Where the investment provides the Company with significant influence, but not control, over that entity, it is probable that the Company will carry the investment using the equity method of accounting, after initially being recognised at cost.

Where neither control nor significant influence exists, the Company will carry the investment at fair value.

### 4.2.3 Other Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money directly to a debtor with no intention of selling the receivable. Those with maturities greater than 12 months after the balance sheet date are classified as non-current.

Loans and receivables are carried at amortised cost using the effective interest method.

#### **4.2.4 Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

##### **Fair Value Hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

##### **Cash Flow Hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit and loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

#### **4.2.5 Revenue**

Revenue will be recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Fees charged in respect of services provided are brought to account as work is completed and fees agreed with clients. To the extent the Company receives upfront fee income, this will be amortised to the income statement over the period of the relevant agreement. Dividend income will only be recognised when the Company controls the right to receive the dividend payments. Interest income will be recognised using the effective interest rate method.

#### **4.2.6 Share Based Payments**

Under the Share Scheme, up to 5,600,000 Shares will be offered to the Company's Directors and employees. The fair value of the Shares granted under this Scheme will be recognised as an employee benefit expense. The fair value is measured at grant date and is recognised over the period during which the Company's Directors and employees become unconditionally entitled to the Shares.

#### **4.2.7 Taxation**

As the Company will not be a registered Pooled Development Fund, income tax will be payable based on the tax rates applicable to Australian resident companies (currently 30%). Refer to section 4.6 for further details.

#### **4.2.8 Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

### **4.3 DIVIDEND POLICY**

The Company intends to pay a semiannual dividend, expected to be paid half yearly in arrears in February and August with respect to the preceding six month period ending 31 December and 30 June. It is anticipated that the first such dividend payment will be in relation to the six month period ending 30 June 2007.

The current intention of the Board is to adopt a policy of distributing approximately 100% of the Net Profit after Tax to the extent that such dividend can be fully franked, for any given half yearly accounting period as a dividend.

As the Company will be subject to the Australian corporate income tax rate of 30%, it is expected that the Company will generate sufficient franking credits to pay dividends that are franked (either partially or wholly).

The Company intends to implement a dividend reinvestment plan to enable ordinary Shareholders to reinvest dividends in additional Shares in the Company.

### **4.4 FINANCING POLICY**

The Company will utilise existing cash resources and the proceeds of the Offer to build its initial portfolio of assets. Following the deployment of these funds, the Company expects to continue to grow its investment portfolio by drawing down on a corporate credit facility from one or more commercial banks. The Company is confident that it can secure such a credit facility on attractive terms and anticipates that it may in time be able to leverage its balance sheet to a debt to equity ratio in the order of 100%.

#### 4.5 HISTORICAL AND FORECAST INCOME STATEMENT AND CASH FLOW INFORMATION

As the Company has historically operated as a boutique funds management business, it is not considered meaningful or appropriate to include historical income statement or cash flow information, as these will not be reflective of the operations of the Company. In relation to the future operating costs of the Company, it should be noted that the Company intends to employ a management team as detailed in section 3.3. The future operating costs will be materially different to the historic operating costs.

Details of the investments acquired at the date of this Prospectus are set out in section 1.4. These investments represent 9.6% of the total funds raised under the Offer net of offer costs. The future earnings performance of the Company will depend on a number of factors which can not currently be quantified on any reasonable basis, including the rate at which the Company invests the balance of the capital raised through the Offer and the return on any new investments. As a result, the Board has not made a forecast of the earnings of the Company and is of the opinion that there are no reasonable grounds for making any forecast.

#### 4.6 TAXATION

The information provided below is of a general nature only and does not purport to be a complete statement of the applicable tax laws. The tax consequences of investing in the Company can only be properly determined by reference to your particular circumstances. Accordingly Shareholders should seek specialist tax advice specific to their individual circumstances.

The following tax summary addresses the tax implications for Shareholders resident in Australia for tax purposes that are individuals and hold their shares in the Company on capital account.

##### 4.6.1 Taxation of the Company

The Company will be considered a separate taxable entity from its Shareholders and will be liable to Australian income tax on its net income at the corporate tax rate (currently 30%). The Company will receive franking credits for the amount of tax paid and these can be used to frank distributions to Shareholders.

Tax losses (both revenue and capital) incurred by the Company will be quarantined in the Company and cannot be passed on to Shareholders. Tax losses can be carried forward and offset against the Company's assessable income derived in future years subject to certain tests being satisfied.

##### 4.6.2 Tax Implications for Shareholders

###### Acquisition of Shares

For CGT purposes the cost base of any Shares acquired by Shareholders is generally the amount paid for those Share and any incidental costs incurred to acquire those Shares. Shares are generally acquired on the date that they are allocated or transferred to Shareholders.

## **Dividends**

Dividends should be included in the assessable income of Shareholders in the year in which the dividend is paid. To the extent that the dividend is franked then the amount of the associated franking credit will also be included in the Shareholder's assessable income. In these circumstances, the Shareholder will generally be entitled to a tax offset equal to the franking credit. Where this tax offset exceeds the Shareholder's tax payable as assessed, the Shareholder (in the case of individual or complying superannuation fund Shareholders) will generally be entitled to a refund of the excess franking credit. To the extent that the dividend is unfranked the Shareholder is assessed on the unfranked dividend received and there is no franking credit available.

There are a number of measures that may affect a Shareholder's ability to utilise franking credits, including the "holding period rule". Generally speaking, the holding period rule requires Shareholders to hold their shares "at risk" for more than 45 days during the relevant period. Given that these rules can be complex, Shareholders should be aware of and seek specific advice on their own position.

## **Disposal of Shares**

Any gain or loss realised on a disposal of shares in the Company is taxed in accordance with the CGT rules. A capital gain will arise to the extent that the capital proceeds received on disposal of the Shares exceed the cost base of those Shares. A capital loss will arise to the extent that the capital proceeds are less than the reduced cost base of those Shares.

Where Shares in the Company are held for more than 12 months, a CGT discount of 50% should be available (to individual Shareholders). Capital losses must be applied to reduce the capital gains before applying the applicable discount.

## **Stamp Duty**

Stamp duty is not payable by Shareholders on the issue or transfer of Shares.

## **Goods & Services Tax (GST)**

GST is not payable by Shareholders on the issue or transfer of Shares.

## **TFN or ABN Withholding**

Shareholders are not required to disclose their Tax File Number (TFN) (or Australian Business Number (ABN) where applicable). However, if a TFN or ABN is not provided and no appropriate TFN exemption information is provided, then the Company is required to withhold PAYG withholding tax at the highest marginal tax rate (plus Medicare levy) of 46.5% from that Shareholder's dividend entitlement.

## 5. Investment Risks

All investments involve varying degrees of risk. Set out below are details of the major risks that potential investors should be aware of when deciding whether to invest in the New Shares.

Before investing, potential investors should consider whether the New Shares are a suitable investment for them given their investment objectives and the risks outlined in this section and elsewhere in this Prospectus. While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to, these risks, many of the risks are outside of the Company's control.

The following list is not exhaustive and potential investors should read this Prospectus in full and, if they require further information on material risks, seek appropriate financial advice.

### 5.1 THE COMPANY DOES NOT HAVE A PROVEN TRACK RECORD IN ITS NEW BUSINESS STRATEGY

The Company proposes to embark on a different business strategy. While the Company has Directors who have successfully implemented a similar business strategy in another organisation, the Company itself does not have a proven track record in successfully operating this business. It is therefore possible that the Company may not operate its business or execute its operating policies and strategies successfully. This could adversely impact the Company's ability to pay dividends and cause investors to lose all or part of their investments.

### 5.2 THE COMPANY HAS NOT YET IDENTIFIED INVESTMENTS IN WHICH TO FULLY INVEST THE PROCEEDS OF THE OFFER

As of the date of this Prospectus, the Company has not identified specific investments in which to fully invest the net proceeds of the Offer other than the investments outlined in section 1.4.3, which represent 9.6% of the net funds to be raised under the Offer. As a result, investors will not be able to evaluate the manner in which the Company invests, nor the merits of any investments that the Company proposes to make.

Furthermore, delays in investing the net proceeds of this Offer on suitable terms may be detrimental to the performance of the Company. The Company does not give any assurance that it will be able to identify investments that conform to its investment strategy or that the investments that it makes will produce a positive return.

### 5.3 ONGOING DEAL FLOW RISK

The future performance of the Company and the returns available to Shareholders will be dependent upon the identification, recognition and availability of suitable investment opportunities. Such investment opportunities are subject to market conditions and other factors outside the control of the Company and there is no assurance that the Company will be able to source investments that conform to its investment strategy.

### 5.4 COMPETITION FOR INVESTMENT OPPORTUNITIES

The Company will operate in a competitive market for investment opportunities with competitors who may have greater resources, a lower cost of capital and the ability to borrow money at lower rates than those at which the Company can borrow money. This may cause the Company to lose investment opportunities or cause the Company to have to make investments on less favourable terms and, as a result, the value of the Shares or the amount of any dividends may be adversely impacted.

### 5.5 ASSET CONCENTRATION RISK

The Company's investments may be concentrated in a limited number of assets or industries or a limited range of asset classes, particularly in the initial stage of the business strategy when it is accumulating its investment portfolio. A consequence of this concentration is that the net returns the Company seeks to realise may be adversely affected if a single investment or a small number of its investments performs poorly.

#### **5.6 NOT ALL MEMBERS OF MANAGEMENT TEAM HAVE BEEN APPOINTED**

The expertise and ability of the Company's management team is critical to the performance of the Company. However, not all members of the management team have been appointed. Key positions may not be filled at the time of the Offer. There is no guarantee that those subsequently appointed to these positions will be successful in fulfilling the requirements of these roles.

#### **5.7 KEY PERSONNEL RISK**

The success of the Company is largely dependent on the performance of its Directors and management staff. The loss of the services of these persons may have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can retain the services of its Directors, management staff or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

#### **5.8 BORROWING RISK**

The Company intends to gear its operations. The effect of borrowing is that gains and losses are magnified. This may also increase the risk in relation to both the stability and amount of dividends that the Company may pay as well as its ability to return capital.

The individual transactions in which the Company invests may also be geared with levels of senior debt to enhance the investment returns to the Company. This gearing will generally be structured on a non-recourse basis to the Company and will be set at levels which the Company believes to be reasonable for the particular transaction. Gearing within an investment will also magnify gains and losses and in adverse circumstances it is possible that the entire value of an investment may be lost.

#### **5.9 INFLATION AND INTEREST RATE RISK**

Depending on the anticipated cash flows from a business, investment returns can be affected by changes in the rate of inflation.

General fluctuations in interest rates may have a substantial negative impact on the performance of the Company's investment opportunities. Accordingly, this may have a material adverse effect on the Company's ability to achieve its investment objectives. In addition, an increase in interest rates would make it more expensive to use debt or other senior securities to finance the Company's investments.

#### **5.10 CREDIT RISK**

The Company will be exposed to credit risk in respect of its investments and arrangements with other counterparties. The Company intends to undertake its own credit and risk assessment review and provide appropriate guidelines and delegations to its officers.

#### **5.11 INVESTMENT LIQUIDITY RISK**

It is likely that the Company will invest in assets that do not have an active secondary market (or that market is volatile) or for which there are only a limited number of potential investors. As a consequence, the realisable value of an asset may ultimately be less than its apparent value if there had been an active secondary market.

#### **5.12 FOREIGN COUNTRY RISK**

To the extent that the Company invests outside of Australia, Shareholders will be exposed to additional risks associated with foreign investment. Such risks include exchange rate fluctuations, differences in relative inflation and interest rates, less liquid or more volatile capital markets, different regulatory and operating environments, variations in infrastructure required to support business activity, social and political instability or unrest and the risk of natural disaster. These risks may materially affect the value of foreign investments made by the Company.

### **5.13 FOREIGN CURRENCY RISK**

If the Company makes an investment that is denominated in a currency other than Australian Dollars, to the extent the investment is not fully hedged, the value of that investment may change as the currency exchange rate changes. The Company intends to manage its foreign exchange risk to minimise the adverse impact of currency movements on its cash flows. The Company's foreign exchange hedging policy includes, but is not limited to, foreign currency derivative instruments (such as forward foreign exchange contracts and option contracts) and foreign currency borrowings.

### **5.14 RESIDUAL VALUE RISK**

The Company may acquire residual value investments. The risk inherent in the recovery of the residual values is that they may not generate the required return. Factors that influence the residual recovery include technological obsolescence, administration and other operations risks, and inappropriate residual recovery strategy.

### **5.15 DOCUMENTATION RISK**

Structured finance projects are usually governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation of enforceability of the documentation may be higher than for other investments.

### **5.16 BUSINESS RISK**

Investment in structured finance assets involves business risks relating to the underlying operating business including economic conditions, changes in management, actions of competitors and regulators, consumer sentiment and market trends. In addition, operating costs can be influenced by a wide range of factors, most of which will not be under the control of the Company.

The Company seeks to manage this risk by carrying out due diligence of particular assets prior to making the investment and monitoring the performance of each asset after the investment is made. In carrying out due diligence and monitoring, the Company will need to rely on information from third party sources and where appropriate advice from external advisers. There is a risk that this information or advice is incorrect or incomplete.

### **5.17 EARNINGS VOLATILITY**

The Company's earnings may be volatile due to the uncertain timing in relation to the Company investing in structured financings, receiving distributions (if any) and realising investments. This may limit the ability of the Company to pay dividends.

In addition, under AIFRS, the Company will be required to recognise the fair values of some assets and liabilities (including certain costs arising under the Share Scheme), which may increase volatility of earnings and reported NTA.

### **5.18 NEW SHARES MAY TRADE AT DISCOUNT**

The price of the New Shares will fluctuate with market conditions and other factors. Whether investors will realise gains or losses upon the sale of the New Shares will not depend directly upon their net asset value, but will depend upon the market price of the New Shares at the time of sale. The market price of the New Shares will be affected by such factors as the relative demand for and supply of the New Shares in the market, general market and economic conditions and other factors beyond the control of the Company.

### **5.19 FUTURE FUND RAISINGS BY THE COMPANY**

The Company may issue further Shares or other equity or debt securities including securities or other indebtedness ranking ahead of the claims of Shareholders. No prediction can be made as to the effect, if any, such future issues of financial securities by the Company may have on the market price or liquidity of the Company's Shares. It is also possible that circumstances may arise in which it is difficult or impossible to raise additional equity or debt on behalf of the Company. If this occurs it may adversely affect the Company's operations and its potential to grow.

### **5.20 LEGISLATIVE RISK**

There is a risk that changes in government policies or legislation, particularly taxation laws and their interpretation, may materially affect the financial performance of the Company.

### **5.21 GENERAL INVESTMENT RISK**

Changes to economic, social, technological or political conditions or to legal or accounting frameworks or to interest rates or to investor sentiment may have a negative effect on the price of all types of investments within a particular market, including Shares in the Company.

## 6. Additional Disclosure

### 6.1 CONTINUOUS DISCLOSURE

This Prospectus is issued pursuant to section 713 of the Corporations Act.

The Corporations Act contains streamlined content requirements for a 'transaction-specific' prospectus in relation to an offer of securities in a class which has been continuously quoted for the 12 months before the date of the prospectus. The content requirements for a 'transaction-specific' prospectus are narrower than the content requirements which would apply to a general prospectus for the same class of securities.

As a 'disclosing entity' for the purposes of section 713 of the Corporations Act, the Company is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Information that is already in the public domain as a result of such disclosures has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- the annual report of the Company for the financial year ended 30 June 2006, being the annual financial report most recently lodged with ASIC by the Company; and
- any continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with the ASIC.

All requests for copies of the above documents should be addressed to:

The Company Secretary  
Mariner Bridge Investments Limited  
Level 40, The Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
Australia

Copies of documents lodged with ASIC in relation to the Company may also be obtained from, or inspected at, an office of ASIC.

#### 6.1.1 List of Recent ASX Announcements

ASX releases since the 2006 Annual Report are listed below:

Date Lodged	Particulars
29 August 2006	Mariner Wealth Management Limited announces restructuring
29 August 2006	Initial Director's Interest Notice
7 September 2006	Change of Director's Interest Notice
14 September 2006	Change of Director's Interest Notice
25 September 2006	Notice of General Meeting
24 October 2006	Share Allocation Policy for existing Shareholders of Mariner Wealth Management Limited
26 October 2006	Results of General Meeting of Members
26 October 2006	Disclosure of Proxy Votes

### 6.1.1 List of Recent ASX Announcements (cont'd)

Date Lodged	Particulars
26 October 2006	Final Director's Interest Notice – Andrew Brown
26 October 2006	Final Director's Interest Notice – WEB Ireland
26 October 2006	Final Director's Interest Notice – Geoffrey Wilson
26 October 2006	Final Director's Interest Notice – Julian Gosse
26 October 2006	Initial Director's Interest Notice – Irene Lee
26 October 2006	Initial Director's Interest Notice - Michael Perry
26 October 2006	Initial Director's Interest Notice - Phillip Lewis

## 6.2 ARRANGEMENTS WITH MFL

The Company has entered into binding heads of agreement with MFL in relation to a Management Services Agreement, the key terms of which are summarised below. It is anticipated that the Management Service Agreement will be formalised and executed prior to the close of the Offer.

On 26 October 2006, the Company and MFL executed a Service Agreement to formalise the working relationship between the two parties. The key terms of the Service Agreement are summarised as follows:

### 6.2.1 Administrative Services

- MFL will provide administrative services to the Company during the term of the agreement.
- These services will include office accommodation, reception, accounting, payroll and IT support.
- For providing these services, MFL will be entitled to an administrative services fee, which it will invoice to the Company quarterly in advance.
- For the financial year ending 30 June 2007, the administrative services fee will commence from 1 November 2006 and will be set at \$105,000 per quarter (exclusive of GST).
- For subsequent financial years, the parties agree to negotiate service levels and the amount of the fixed administrative services fee annually at the commencement of each financial year based on the reasonable budgeted cost to MFL of providing the services. If a revised fee is not agreed, then the existing fee will be adjusted by any increase in CPI over the prior financial year.

### 6.2.2 Right of First Refusal for Funding Opportunities

- As part of its normal business activities, MFL expects to generate opportunities which may involve, inter alia, lending, investing, providing credit support, the acquisition or warehousing of assets for the purposes of seeding managed funds and the underwriting of the capital raisings for such funds (collectively Funding Opportunities).
- All Funding Opportunities that require financial support from sources external to the Mariner group must first be offered to the Company through a formal funding request.
- MFL must provide the terms on which it requests the Company to participate in a Funding Opportunity in a timely manner and provide the Company with at least 7 days to evaluate the Funding Opportunity and elect whether to participate in the Funding Opportunity.
- If the Company declines to participate in a Funding Opportunity, MFL can offer participation in that Funding Opportunity to third parties, provided that it does not offer the Funding Opportunity to third parties on terms that are more attractive than those offered to the Company.

### **6.2.3 Management Fee Sharing**

- Where the Company participates in a Funding Opportunity which results in the creation of a managed fund, MFL must pay to the Company an amount equal to 25% of the gross ongoing annual management fees received by the Mariner group from that fund, for the life of that fund.
- Where the Company participates in a Funding Opportunity in relation to existing funds, then the Company will be entitled to 25% of the gross ongoing annual management fees arising from the fund multiplied by the ratio of the value of the net assets which were the subject of the Funding Opportunity to the total net assets of the relevant managed fund as determined annually, for the life of that fund.
- This fee sharing does not extend to upfront fees earned in relation to the establishment or operation of the fund, including origination, arranging and distribution activities, or any performance, acquisition or development fees.

### **6.2.4 Use of Name and Branding**

- During the term of the agreement, MFL consents to the Company having the word “Mariner” in its name and using the Mariner brand and logo in a manner consistent with the activities of the Mariner group.
- MFL has the right to withdraw this consent at any time after 30 June 2008 if, in its opinion and acting reasonably, the activities of the Company prejudice the commercial interests of the Mariner group.
- Any such withdrawal of consent must be communicated in writing to the Company and must provide the Company with a notice period in which to implement a change of name.
- This notice period will be from the date of notice until the next annual general meeting of the Company, unless the date of notice is less than 91 days before the next annual general meeting, in which case the notice period is six months.
- The Company can change its name if it decides that it is in its commercial interest to do so but such change can not take place prior to 30 June 2008.
- While the word “Mariner” appears in its name, the Company will ensure that its logo and branding are consistent with MFL and will consult with MFL prior to making any material change in its logo and branding.

### **6.2.5 Board Representation**

- During the term of the agreement, there will be one common director between MFL and the Company.
- Ian Ingram will be the initial common director.
- If Ian Ingram is no longer a director of MFL, then MFL has the right to propose another person to be the common director.
- The Company will appoint the alternative common director to its Board unless such appointment, in the opinion of the Company acting reasonably, is detrimental to the commercial interests of the Company. In this case, the Company must ask MFL to propose another common director from the MFL Board which it and MFL consider acceptable.

## 6.2 ARRANGEMENTS WITH MFL (CONT'D)

## 6.3 UNDERWRITING AGREEMENT

### 6.2.6 Term

- The initial term of the agreement is five years, with two further five year extensions by agreement between the parties.

The General Offer is fully underwritten by the Joint Lead Managers on the terms of the Underwriting Agreement between the Company and the Joint Lead Managers.

The Joint Lead Managers may terminate the Underwriting Agreement if any of a number of specified events occur before the New Shares have been issued. These events include:

- (a) the S&P/ASX 200 Index is 10% or more below its level on the business day immediately preceding the date of the agreement.
- (b) a material adverse change occurs in the condition of the Company group from that described in the Prospectus;
- (c) ASIC makes or applies for certain orders, commences certain proceedings or investigates certain matters in relation to the Prospectus or the Company and its officers;
- (d) any person whose consent is required to the issue of the Prospectus withdraws their consent;
- (e) the Company withdraws the Prospectus or the Offer;
- (f) requisite ASX approval is refused or, if granted is withdrawn, qualified or withheld;
- (g) the Prospectus is defective or a supplementary Prospectus is lodged without the consent of the Joint Lead Managers;
- (h) the Company defaults or breaches a warranty under the Underwriting Agreement;
- (i) a material adverse change in specified political environments or financial markets occurs, or banking activities or trading on a major stock exchange is suspended;
- (j) a hostile conflict commences or escalates in specified countries;
- (k) a law or policy is introduced which adversely affects the Offer or the Prospectus;
- (l) a Director or Senior Manager is charged with a criminal offence or becomes incapable of or is disqualified from managing a corporation;
- (m) a material contract is terminated or changed in a material respect without the prior consent of the Joint Lead Managers;
- (n) the Constitution or issued capital of the Company is altered without the prior consent of the Joint Lead Managers; or
- (o) the Company ceases to be listed on the ASX or has its Shares suspended for more than one business day.

An event listed in paragraphs (h) to (o) does not entitle a Joint Lead Manager to terminate the Underwriting Agreement unless, in the reasonable opinion of that Joint Lead Manager, the event:

- has had or is likely to have a material adverse effect on the success of the Offer, the ability of the Joint Lead Manager to market or promote the Offer, the willingness of persons to apply for New Shares under the Offer or the price at which New Shares will be sold or traded on ASX; or
- has given or is likely to give rise to a contravention by that Joint Lead Manager of, or that Joint Lead Manager being involved in a contravention of, the Corporations Act or any other applicable law, or a liability for that Joint Lead Manager.

## 6.4 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

Each New Share will rank equally in all respects with all other Shares on issue at the time the New Share is issued.

The rights and liabilities attaching to Shares are set out in the Constitution of the Company, which is subject to the Corporations Act and the ASX Listing Rules. The Constitution can only be amended by a special resolution passed by at least three-quarters of members present and voting at a general meeting of the Company.

A copy of the Constitution may be inspected during normal business hours at the registered office of the Company.

The following is a summary of the major provisions of the Constitution affecting the rights and liabilities attaching to Shares:

- At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll one vote for each fully paid share held.
- Each Shareholder is entitled to receive notice of and to attend and vote at general meetings of the Company.
- Subject to any rights or restrictions attached to any shares or class of shares, the profits of the Company which the Directors from time to time determine to distribute by way of dividend are divisible amongst the Shareholders in proportion to the amounts paid up (or credited as paid) on the shares held by them.
- The Directors may from time to time (subject to any restrictions on the allotment of shares imposed by the ASX Listing Rules and the Corporations Act), issue, grant options in respect of, or otherwise dispose of further shares on such terms and conditions as they see fit.
- Holders of shares may transfer them by an instrument in writing in any usual form or in any other form approved by the Directors.
- Subject to any special or preferential rights attaching to any class or classes of shares, Shareholders will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them, less any amounts which remain unpaid on these shares at the time of distribution.

## 6.5 DESCRIPTION OF FEES AND COSTS OF THE OFFER

The fees and costs of the Offer are estimated to total \$4,288,750 and are comprised of the items contained in the table below.

Fees and Costs	Estimated Amount <sup>1</sup>
Underwriting fee <sup>2</sup>	\$973,750
Joint Lead Managers' fee	\$410,000
Arranger's fee <sup>3</sup>	\$2,255,000
Other issue expenses (costs of Offer including legal fees, accounting due diligence fees, registry fees, and printing and mailing costs)	\$650,000
<b>Total</b>	<b>\$4,288,750</b>

1 All amounts include GST and take into account any input tax credits that may be available to the Company.

2 Underwriting fee paid to the Joint Lead Managers, except for \$150,000 paid to MFL for sub-underwriting an amount of \$7,500,000 of the Offer.

3 Amount payable to MFL for arranging all aspects of the transaction, including the arrangement of subscriptions by the Foundation Shareholders, appointment of the Joint Lead Managers and advisers and the General Meeting of Shareholders which took place on 26 October 2006.

## 6.6 CONSENTS, INTERESTS AND FEES OF ADVISERS

No person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- has, or has had within the two years prior to the lodgement of this Prospectus, any interest in the promotion or formation of the Company, in property acquired or proposed to be acquired by the Company in connection with its promotion or formation or the Offer, or in the Offer; or
- has been paid or received or agreed to receive any benefit for services provided in connection with the formation or promotion of the Company or the Offer, except as set out in this Prospectus, including this section.
- PricewaterhouseCoopers Securities Ltd has provided due diligence services in relation to the Offer and is entitled to receive approximately \$70,000 (exclusive of GST) for this service.
- Freehills has acted as legal adviser to the Company in relation to the Offer and is entitled to receive approximately \$60,000 (exclusive of GST) for this service.
- The Joint Lead Managers have agreed to act as lead managers and underwriters for the General Offer and are entitled to the fees set out in section 6.5.

The following persons or firms have consented to being named in this Prospectus and have not withdrawn their consent as at the date of this Prospectus:

- PricewaterhouseCoopers Securities Ltd;
- Freehills;
- the Joint Lead Managers;
- the Registry;
- Global Capital Finance;
- Meridian International Capital Limited; and
- KPMG is the auditor of the Company and consents to be named in the Prospectus and to the references to audited accounts in this Prospectus in the form and context in which they are included.

Each of the persons named immediately above:

- has not authorised or caused the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name.

## 6.7 CONSENTS AND INTERESTS OF DIRECTORS

No Director:

- has, or has had within the two years prior to the lodgement of this Prospectus, any interest in the promotion or formation of the Company, in property acquired or proposed to be acquired by the Company in connection with its promotion or formation or the Offer, or in the Offer; or
- has been paid or received or agreed to receive any benefit to induce him or her to become or to qualify as a Director, or for services provided in connection with the formation or promotion of the Company or the Offer, except as set out in this Prospectus, including this section.

As at the date of this Prospectus, no Directors held securities of the Company.

Shareholders have approved the issue of 4,600,000 Shares to the Directors of the Company under the Share Scheme at an issue price of \$1.25 per Share. The allocation to each Director is as follows:

- |  |                  |
|--|------------------|
| ■ Ms Irene Lee, Executive Chairman         | 1,000,000 Shares |
| ■ Mr Mark Phillips, Managing Director      | 3,000,000 Shares |
| ■ Mr Ian Ingram, Non-Executive Director    | 200,000 Shares   |
| ■ Mr Philip Lewis, Non-Executive Director  | 200,000 Shares   |
| ■ Mr Michael Perry, Non-Executive Director | 200,000 Shares   |

The Shares to be issued to Mr Phillips under the Share Plan will vest in accordance with the following schedule:

- 1,000,000 Shares on 8 March 2007;
- 1,000,000 Shares on 8 March 2008;
- 1,000,000 Shares on 8 March 2009.

In the case of the other Directors, it is anticipated that the Shares allocated to them under the Share Scheme will be issued some time during December 2006 and will vest in accordance with the following schedule:

- 33% after 12 months from the date of issue;
- a further 33% after 24 months from the date of issue;
- the remaining 34% after 36 months from the date of issue.

The Non-Executive Directors of the Company, being Ian Ingram, Philip Lewis and Michael Perry, will each be entitled to director's fees of \$60,000 per annum plus compulsory superannuation.

The Executive Chairman, Irene Lee, will be entitled to director's fees of \$120,000 per annum plus compulsory superannuation.

The Managing Director, Mark Phillips, will be entitled to a base salary of \$525,000 per annum, inclusive of compulsory superannuation contributions. In addition, Mark Phillips may be entitled to an annual bonus to be paid in cash up to a maximum of 100% of his salary. The payment of a bonus will depend on the achievement of certain predefined key performance indicators which primarily relate to the profitability and growth of the Company.

Each Director of the Company has given, and not withdrawn as at the date of this Prospectus, their consent to the issue of the Prospectus and its lodgement with ASIC.

This Prospectus has been signed by Irene Lee on behalf of the Company.

## 7. Glossary

<b>AEST</b>	Australian Eastern Summer Time.
<b>AIFRS</b>	Australian Equivalents to International Financial Reporting Standards.
<b>Applicant</b>	A person who applies for New Shares pursuant to this Offer.
<b>Application</b>	An application pursuant to this Offer to subscribe for New Shares.
<b>Application Form</b>	The Application Form for the Offer accompanying or attached to this Prospectus.
<b>Application Monies</b>	Monies required to be lodged with an Application which is the Offer Price (\$1.25) for each New Share the subject of an Application.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX Investments Commission</b>	Australian Stock Exchange Limited.
<b>ASX Listing Rules</b>	The official listing rules of ASX.
<b>Australian Dollar or \$</b>	The lawful currency of Australia.
<b>Board</b>	The Board of Directors of Mariner Bridge Investments Limited.
<b>Broker Firm Applicant</b>	An Applicant who applies for a broker firm allocation under the Broker Firm Offer through a Retail Broker.
<b>Broker Firm Offer</b>	The offer of New Shares in the General Offer to investors who have received a firm allocation of New Shares in the General Offer from their broker or licensed financial adviser described in section 2.2.2.
<b>Closing Date</b>	Monday, 20 November 2006.
<b>Company</b>	Mariner Bridge Investments Limited ABN 16 088 267 190.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Foundation Offer</b>	The offer of 62 million New Shares described in section 1.1.
<b>General Meeting</b>	A general meeting of Shareholders.
<b>General Offer</b>	The offer of 38 million New Shares described in section 2.1.
<b>General Retail Applicant</b>	An Australian resident who applies for an allocation of New Shares pursuant to this Prospectus who is not a Priority Applicant, Broker Firm Applicant or an Institutional Investor.
<b>General Retail Offer</b>	That part of the General Offer which is not the Institutional Offer or the Broker Firm Offer.
<b>Institutional Investor</b>	An investor to whom the Offer may be made without disclosure to investors pursuant to sections 708(8), 708(10), or 708(11) of the Corporations Act and includes a Retail Broker.
<b>Institutional Offer</b>	The offer of New Shares under the General Offer to Institutional Investors, described in section 2.2.1.
<b>Joint Lead Managers</b>	Commonwealth Securities Limited ABN 60 067 254 399, AFSL 238 814 and Macquarie Equities Limited ABN 41 002 574 923, AFSL 237 504, lead managers and underwriters.
<b>LIBOR</b>	London Interbank Offer Rate.
<b>Mariner group</b>	Mariner Financial Limited ABN 54 002 989 782 and its subsidiaries.
<b>MFL</b>	Mariner Financial Limited ABN 54 002 989 782.
<b>New Share</b>	Means an ordinary share in the capital of the Company.

<b>NTA</b>	Net Tangible Assets.
<b>Offer</b>	The Offer of New Shares in Mariner Bridge Investments Limited pursuant to this Prospectus.
<b>Offer Price</b>	\$1.25 per New Share.
<b>Priority Applicant</b>	An Australian resident shareholder of the Company as at 7.00pm on 10 November 2006.
<b>Priority Application Form</b>	A personalised blue Application Form accompanying Prospectuses sent to Priority Applicants and can be requested from the Registry. An application for a Priority Allocation of New Shares must be made upon this personalised Application Form.
<b>Prospectus</b>	This prospectus dated 27 October 2006.
<b>Registry</b>	Registries Limited ABN 14 003 209 836.
<b>Retail Broker</b>	Brokers who are offered a firm allocation of New Shares by the Joint Lead Managers.
<b>Service Agreement</b>	The Service Agreement between the Company and MFL, dated 26 October 2006.
<b>Share</b>	A fully paid ordinary share in Mariner Bridge Investments Limited.
<b>Shareholder</b>	A holder of Shares.
<b>Share Scheme</b>	The Director and Employee Share Scheme approved at the General Meeting of the Company held on 26 October 2006.
<b>US\$</b>	The lawful currency of the United States of America.

# Your Guide to Completing the Application Form

Please complete all relevant sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the Application Form.

Further details about the New Shares are contained in the Prospectus dated 27 October 2006 issued by the Company. While the Offer is open, the Company will send paper copies of the Prospectus, any supplementary documents and the Application Form, free of charge on request.

The Corporations Act prohibits any person from passing on to another person the Application Form which was attached to this Prospectus for the issue of New Shares, unless the Application Form is attached to or accompanying a complete and unaltered copy of the Prospectus. A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Prospectus and any supplementary Prospectus. The Prospectus contains important information about investing in the New Shares. You should read the Prospectus before applying for New Shares.

## INSTRUCTIONS

- A/B. If applying for New Shares, insert the number of New Shares for which you wish to subscribe at Item A (not less than **1600** and then in multiples of **400**). Multiply the number of New Shares by **A\$1.25** to calculate the total dollar value of New Shares and enter the amount at B.
- C. Write your full name. Initials are not acceptable for first names.
- D. Enter your postal address for all correspondence. All communications to you from Mariner Bridge investments Limited will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. Please tick box if you are an existing shareholder of Mariner Bridge Investments Limited (formerly Mariner Wealth Management Limited) and provide the CHES HIN/SRN that corresponds to the existing shareholding at F.
- F. If you are CHES sponsored by a stockbroker or other CHES participant, you may enter your CHES HIN if you would like the allocation to be directed to your HIN. **(NB: your registration details provided must match your CHES account exactly).**
- G. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form. However, if no TFN is quoted your dividends and distributions may be taxed at the highest marginal tax rate plus Medicare Levy.
- H. Complete cheque details as requested. Make your cheque payable to **'Mariner Bridge Investments Limited'** in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- I. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- J. Enter your email address so we may contact you regarding your Application Form or Application Monies or forward other correspondence to you.

It is not necessary to sign the Application Form.

## CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities can hold the New Shares. The Application Form must be completed in the name of a natural person(s), companies or other legal entities acceptable to Mariner Bridge Investments Limited. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration Title	Incorrect Form of Registration Title
Individual	Mr John David Smith	J D Smith
Company	Smith Pty Ltd	Smith P/L or Smith Co.
Joint Holdings	Mr John Smith & Mrs Mary Smith	John Smith & Mary Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

 PIN CHEQUE(S) HERE

# MARINER BRIDGE INVESTMENTS LIMITED

ABN 16 088 267 190

Broker Stamp

Broker Code

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## Application Form

This Application Form is important. If you are in any doubt as to how to deal with it, please contact your lawyer, accountant, stockbroker or other professional adviser. You should read the entire Prospectus carefully before completing the Application Form. This Application Form must not be handed to another person unless attached to or accompanied by the Prospectus dated 27 October 2006 and a person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus and any supplementary Prospectus.

### A Number of New Shares you are applying for

x \$1.25 per New Share =

### B

Minimum of **1600** New Shares, thereafter in multiples of **400** New Shares.

### C Write the name(s) you wish to register the New Shares in (see reverse for instructions)

Applicant Surname/Company Name

Title First Name Middle Name

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Joint Applicant #2 Surname

Title First Name Middle Name

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Account Designation e.g. <Super Fund> (or Joint Applicant #3)

### D Write your postal address here

PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

Unit/Level Street Number Street Name

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Suburb/City or Town

State

Postcode

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### E Please tick box if you are an existing shareholder of Mariner Bridge Investments Limited.

### E CHESS HIN or SRN

**Important please note** - If the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister

### G Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

### H Cheque payment details

Please make your cheque payable to **"Mariner Bridge Investments Limited"** and enter details of the cheque(s) that accompany this application. We will only accept cheques drawn on an Australian Bank Account.

Name of drawer of cheque

Cheque No.

BSB No.

Account No.

Cheque Amount AUD\$

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### I Contact telephone number (daytime/work/mobile)

### J Email address

## LODGEMENT INSTRUCTIONS

**BROKER FIRM OFFER APPLICANTS** – Investors who have received a firm allocation of New Shares from their Retail Broker should follow the lodgement instructions provided by that broker. Investors who have received a firm allocation of New Shares from their Retail Broker should contact that broker if they are in any doubt as to how to lodge this Application Form.

### GENERAL RETAIL OFFER APPLICANTS

Mail your completed Application Form with cheque(s) attached to the following address:

<b>Mailing address:</b>	<b>Delivery address:</b>
Registries Limited	Registries Limited
Mariner Bridge Offer	Mariner Bridge Offer
PO Box R67	Level 2
Royal Exchange	28 Margaret Street
SYDNEY NSW 1223	SYDNEY NSW 2000

## ACKNOWLEDEMENTS

By returning this Application Form and attaching your payment you agree to the following statements. I/We

- confirm all details in this Application Form are true and correct;
- have personally received a paper or electronic copy of the Prospectus that this Application Form accompanies;
- am/are at least 18 years of age if I/we am/are an individual(s);
- have completed this Application Form correctly and completely;
- acknowledge that once the Registry or a Retail Broker receives this Application Form, I/we may not withdraw it;
- apply for the number of New Shares at the Australian dollar amount shown on the front of this Application Form;
- agree to being allotted the number of New Shares that I/we apply for or a lower number allotted in a way allowed under the Prospectus or no New Shares at all;
- authorise the Underwriters, the Company and their respective officers or agents, to do anything on my/our behalf necessary for New Shares to be allotted to me/us, including without limitation to sign any documents necessary for New Shares to be allotted to me/us, and to act on instructions received by the Registry using the contact details in section F and my/our registered address;
- acknowledge that the information contained in the Prospectus is not investment advice or a recommendation that an investment in the Company is suitable to me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that I am/we are not in the United States and I am/we are not a United States person (and not acting for the account or benefit of a United States person), and I/we will not offer, sell or resell New Shares in the United States to, or for the account or benefit of, any United States person;
- I/we have read and understood the Prospectus dated 27 October 2006, in full to which this Application applies and agree to the terms of the Offer contained in it, and to be bound by the provisions of the Constitutions of Company;
- in the case of joint investments, the joint applicants agree that unless otherwise expressly indicated on this Application Form, New Shares will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions;
- if investing as a Trustee, on behalf of a Superannuation Fund or Trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the Trust Deed; and
- I/we acknowledge that I/we have read the pages of the Prospectus containing the information under the heading "Privacy Notification". I am/we are aware that until I/we inform Mariner group otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading.

**Applications must be received by no later than 5.00pm Eastern Standard Time on  
Wednesday 20 November 2006.**

## READY RECKNOR

This ready reckoner will help you calculate the money you need to pay at \$1.25 per New Share.

<b>New Shares</b>	1,600	2,400	3,200	4,000	8,000	12,000	16,000
<b>Amount</b>	\$2,000	\$3,000	\$4,000	\$5,000	\$10,000	\$15,000	\$20,000

## PRIVACY STATEMENT

Registries Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your Share holding and if some or all of the information is not collected then it might not be possible to administer your Share holding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form. Our privacy policy is available on our website <[http://www.registriesltd.com.au/help/security\\_privacy.html](http://www.registriesltd.com.au/help/security_privacy.html)>.

**If you have any questions as to how to complete the Application Form, please contact the Registry between 8.30am to 5.30pm (AEST), Monday to Friday on 02 9290 9600.**

## 8. Directory

<b>Registered Office</b>	Mariner Bridge Investments Limited Level 40, The Chifley Tower 2 Chifley Square Sydney NSW 2000
<b>Directors</b>	Irene Lee (Executive Chairman) Mark Phillips (Managing Director) Ian Ingram Philip Lewis Michael Perry
<b>Company Secretary</b>	Steve Gilsenan
<b>Legal Adviser</b>	Freehills MLC Centre 19-29 Martin Place Sydney NSW 2000
<b>Auditor</b>	KPMG 10 Shelley Street Sydney NSW 2000
<b>Share Registry</b>	Registries Limited Level 2, 28 Margaret Street Sydney NSW 2000
<b>Joint Lead Managers</b>	CommSec Level 18, 363 George Street Sydney NSW 2000  Macquarie Equities Limited Level 18, 20 Bond Street Sydney NSW 2000

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## Mariner Bridge Investments Limited

Level 40  
The Chifley Tower  
2 Chifley Square  
Sydney NSW 2000  
T: 02 9238 0750  
F: 02 9238 0790

Level 20  
101 Collins Street  
Melbourne VIC 3000  
T: 03 8317 1111  
F: 03 8317 1199

Suite 25  
8 Greenhill Road  
Wayville SA 5034  
T: 08 8372 7896  
F: 08 8372 7800

320 Adelaide Street  
Brisbane QLD 4000  
T: 07 3010 9433  
F: 07 3010 9001

Investor Services: 1800 009 963

Adviser Services: 1800 009 964

[www.marinerfunds.com.au](http://www.marinerfunds.com.au)

Mariner Financial Limited ASX: MFI



The international code of signals allows ships of all nations to communicate with each other. The code's simple, powerful design has created a universal language that brings mariners together in a partnership of understanding. Mariner Financial has adopted a similar philosophy – working in partnership to design simple, tailored investment solutions with universal applications.