

# Invesco Secure Bond



April 2009

  
invesco

# Introduction

Invesco is the leading Irish owned firm of corporate pensions, actuarial, and investment consultants. We provide a comprehensive range of services to many of Ireland's indigenous and multinational companies. Invesco is 18 years in operation and employs 85 staff with offices in Dublin and Cork.

## Independent Invesco

Independence is a significant asset. Invesco follows no agenda imposed by external influences, but instead looks to its own resources to deliver what is now the largest independent pension and investment consultancy in the country. Here at Invesco, you meet the people who matter, the people who manage your investments and provide impartial far-seeing advice in order to provide you with the finest tailored pension and investment programmes.

## Independent Insights

The Invesco Board of Directors and team of consultants operate a distinctly hands-on approach, involving themselves directly and bringing to bear their unique skill sets and wide range of expertise. This close involvement means Invesco is geared to react quickly to market opportunities, while our deeper understanding of our clients' needs means we can adopt a flexible results-oriented approach. Underpinning our approach is a clear focus on the people who are our clients, as we collaborate with them to prioritise their interests and thereby ensure tangible outcomes and results.

## Independent Advice

Invesco believes that excellence doesn't come naturally or easily. Excellence demands commitment and dedication. We continuously seek new ways and improved methodologies to deliver a first class service for our clients. At the same time, we invite our clients into a partnership of understanding built on trust, service and reliability. The high degree of client interaction and an effective administration process allows Invesco to successfully 'demystify' the often bewildering world of pensions, investment and financial consultancy.

## The Investment Rationale

The current economic climate can best be described as weak and the "Global Credit Crisis" has damaged market sentiment. In both positive and negative market environments, investors are tempted to say "this time it's different" and that the prevailing positive or negative cycle will continue indefinitely. There have been many financial market shocks and economic recessions in the past. In many of these cases, investors did not think that a recovery was possible and that markets were set for a prolonged period of stagnation. However, one of the only economic laws that can be relied upon with any certainty is that the business or economic cycle is inevitable. Just when you begin to hear the phrase that "this time it's different" the economic cycle turns and once again demonstrates that it's never different. The long term trajectory of economies and asset prices is upwards despite many recessions and financial market shocks along the way. Those investors who have been advised to invest strategically at or near the bottom of the economic cycle have often been rewarded handsomely in terms of long term investment performance.

The Invesco Secure Bond can facilitate investors in making this strategic re-investment into the markets with peace of mind about the high level of capital protection this Bond provides.

*“Tailor-made solutions protecting your wealth for future generations”*

# Executive Summary

The Invesco Secure Bond is an innovative investment solution designed for private investors who wish to invest in an actively managed diverse portfolio of asset classes. The main features are as follows:

- The Invesco Secure Bond is 97.5% Capital Protected by EBS Building Society at maturity. EBS Building Society is regulated by the Financial Regulator.
- Investors in the Invesco Secure Bond will receive 100% of the growth in the underlying investment strategy at the end of the term. There is no maximum return or cap on the potential return achieved by the Bond.
- The Invesco Secure Bond has a fixed 3 year, 11 month term. Although provision has been made for investors to access their monies invested before the end of this 3 year, 11 month term, this is a medium term investment and should only be considered by investors who are content to adopt a 3 year, 11 month term for this investment.
- The Investment Strategy: The BNP Paribas Millennium 10 Europe Series 3 Excess Return Index has been chosen following detailed research of the Multi Asset, Actively Managed investment strategies available to wealthy investors across Europe. The strategy has the potential to provide absolute investment returns in all market conditions and has exhibited an exciting track record to date.
- Averaging: The closing level of the Bond will be based on the average monthly value of the underlying indices over the final 6 months of the term (7 observations).
- There is no Annual Management Fee.
- The Closing Date for applications is 29 May 2009.
- The Minimum Investment is €50,000.
- The Invesco Secure Bond is also available to members of Small Self Administered Pension Schemes.
- The base currency of the Invesco Secure Bond is Euro. Investors in the Bond are not subject to the risks associated with currency fluctuations.
- Investors will be able to keep updated on the indicative performance of their investment each calendar quarter by accessing details at [www.invesco.ie](http://www.invesco.ie).
- The Invesco Secure Bond is exclusive to clients of Invesco and to a small number of investment advisors associated with Invesco Limited.

# Description of the Bond

## Current Economic Climate & Investment Outlook

The current economic climate can best be described as weak and market sentiment and investor confidence have worsened as a result of recent events culminating in the "Credit Crisis". The recent financial market weakness comes immediately after the 5 year positive economic environment that prevailed since 2003 and the significant asset price appreciation over that period.

Economic history is punctuated with business and economic cycles of this nature. In fact, one of the only economic laws that can be relied upon with any certainty is that business or economic cycles are inevitable. Just when you begin to hear the phrase that "this time it's different" either on the way up or on the way down, the economic cycle turns and once again demonstrates that it's never different. When economic growth is positive and asset prices are rising, investors find it difficult to accept that the positive cycle can end and expect growth and rising asset prices to continue indefinitely. Similarly, when economic growth begins to contract and asset prices are falling sharply, investors find it difficult to imagine that the economic cycle can turn, that growth can reassert itself and that asset prices will increase again.

There have been many financial market shocks and economic recessions in the past. In many of these cases investors did not think a recovery was possible and that we were set for a prolonged period of stagnation. In many instances the recovery came quicker and was more pronounced than many had anticipated.

## The BNP Paribas Millennium 10 Europe Series 3 Excess Return Index

BNP Paribas is a European leader in banking and financial services, with a significant and growing presence in the United States and leading positions in Asia. The Group has one of the largest international banking networks, has offices in 85 countries, has 173,200 employees worldwide, has 14,000 corporate and institutional clients and 20 million retail banking clients. BNP Paribas has also one of the highest long term credit ratings in the world (S&P AA, Moody's Aa1, Fitch: AA).

## The Investment Objectives

The objectives of the BNP Paribas Millennium 10 Europe Series 3 Excess Return Index (the Underlying Investment Strategy) are as follows:

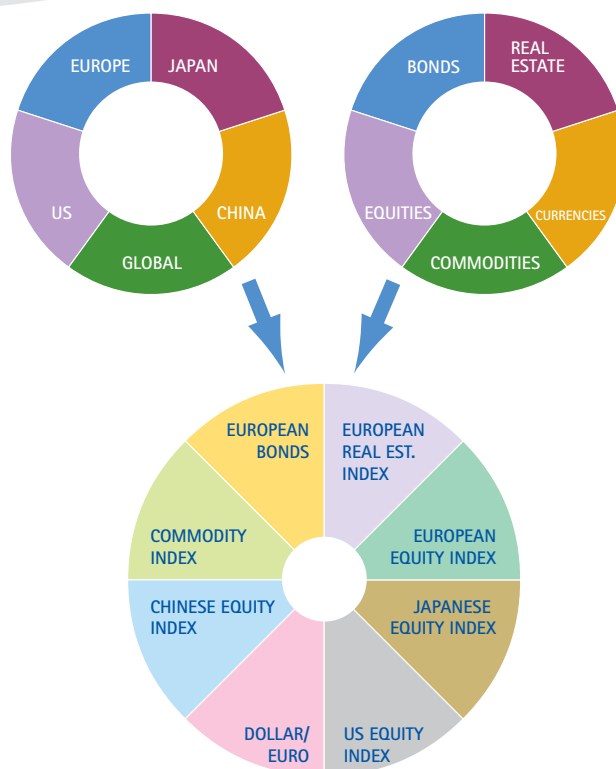
- To create a balanced portfolio of multiple asset classes with the potential to provide absolute investment

performance irrespective of the positive or negative momentum of the financial markets.

- To utilise its Asset Allocation technique as the primary driver of investment performance and risk management.
- To create a portfolio that is genuinely actively managed (the Underlying Investment Strategy is reallocated every month).

## Where is the Bond invested?

The Bond can invest in 5 asset classes: equities, bonds, real estate, commodities and currencies. The bond is also diversified geographically as illustrated below. Each month, BNP Paribas will decide what proportion of the portfolio will be invested in each of the asset classes in each geographic region as described below:



Asset Class	Index
European Bonds	IBOXX Sovereigns
European Equity	EuroStoxx 50
American Equity	S&P 500
Japanese Equity	Topix
Chinese Equity	HSCEI
Commodities	DJAIG
European Real Estate	EPRA Euro Zone
Currency	Dollar-Euro

Source : BNP Paribas

## Rules and Principles of the Asset Allocation Model

1. On the fourth Tuesday of every month, the Asset Allocation is recalculated to adjust for current market conditions.
2. The Objective of this Asset Allocation exercise is to determine the weights to be applied to each asset class in order to:
  - Maximise the investment return and
  - Comply with the annualised volatility target of 10%.
3. The weight of each asset class can be positive or negative to take advantage of both positive and negative trends in each asset class.
4. The Asset Allocation Model is fine tuned and the appropriateness of the investment parameters are assessed each calendar quarter by BNP Paribas' expert committee of quantitative analysts.
5. The Asset Allocation Model attempts to provide an optimal risk-reward methodology incorporating volatility, investment performance and historical correlation between the underlying asset classes.

## Past Asset Allocation

The table below illustrates the Asset Allocation of the BNP Pribas Millennium 10 Europe Series 3 Excess Return Index in each of the last 6 months.

28 October 2008		25 November 2008		23 December 2008		27 January 2009		24 February 2009		24 March 2009	
<b>LONG POSITION</b>		<b>LONG POSITION</b>		<b>LONG POSITION</b>		<b>LONG POSITION</b>		<b>LONG POSITION</b>		<b>LONG POSITION</b>	
<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>
USD-EUR change	25%	USD-EUR change	25%	USD-EUR change	25%	USD-EUR change	25%	USD-EUR change	25%	Bonds Europe	84%
Commodities	13%	Commodities	3%	Commodities	3%	Commodities	16%	Japan stocks	2%	Forex USD/EUR	25%
European Bonds	0%	European Bonds	47%	European Bonds	64%	European Bonds	0%	European Bonds	43%	Equity China	6%
European Real Estate	0%	European Real Estate	0%	European Real Estate	0%	European Real Estate	0%	European Real Estate	0%	Equity US	0%
								Chinese stocks	5%	Real Estate Japan	0%
								US stocks	7%		
<b>SHORT POSITION</b>		<b>SHORT POSITION</b>		<b>SHORT POSITION</b>		<b>SHORT POSITION</b>		<b>SHORT POSITION</b>		<b>SHORT POSITION</b>	
<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>	<b>Asset Class</b>	<b>Weight</b>
Chinese stocks	-2%	Chinese stocks	-4%	Chinese stocks	-2%	Chinese stocks	-3%			Equity Japan	-5%
Japan stocks	-7%	Japan stocks	-3%	Japan stocks	-7%	Japan stocks	-17%			Equity Europe	-9%
European Bonds	-25%	European Bonds	-12%	European Bonds	-8%	European Bonds	-14%	<b>SHORT POSITION</b>		Commodities	-18%
US stocks	-4%	US stocks	-9%	US stocks	-12%	US stocks	-7%	<b>Asset Class</b>	<b>Weight</b>	Net Exposure	83%
								European Bonds	-15%	Cash	17%
								Commodities	-24%		

Source: BNP Paribas 31 March 2009

## Past & Simulated Performance

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
JAN	-0.94%	-1.53%	11.42%	1.77%	3.44%	0.91%	0.70%	4.71%	6.15%	-1.63%	0.20%	5.57%	-1.87%	-5.02%	1.83%
FEB	-0.04%	-2.26%	4.12%	1.96%	-2.68%	3.04%	4.72%	-0.93%	2.61%	3.73%	-0.48%	1.86%	-2.04%	4.69%	0.64%
MAR	1.86%	2.61%	-0.44%	5.54%	-3.83%	-0.01%	2.18%	-4.40%	-2.18%	-0.38%	0.79%	2.68%	2.09%	-0.63%	0.01%
APR	0.87%	1.49%	2.82%	1.97%	-1.48%	-0.47%	-4.36%	0.32%	0.77%	-5.73%	2.45%	-1.05%	2.50%	-2.65%	
MAY	0.00%	0.97%	-1.18%	4.19%	0.44%	-1.07%	3.45%	0.99%	4.72%	0.00%	0.05%	-4.91%	0.94%	-2.14%	
JUN	2.03%	1.01%	0.37%	2.22%	-4.10%	-0.69%	0.91%	4.55%	-3.41%	0.41%	1.73%	-0.30%	-0.03%	5.01%	
JUL	0.87%	-2.27%	9.44%	2.45%	-1.15%	-3.55%	0.90%	1.75%	-1.46%	-0.01%	2.76%	0.89%	-0.17%	-1.32%	
AUG	1.18%	1.59%	-3.69%	-0.44%	-0.42%	5.08%	2.24%	-0.67%	0.13%	0.84%	-0.80%	0.17%	3.24%	-3.06%	
SEP	3.52%	3.12%	0.82%	-2.96%	-0.27%	-1.57%	3.74%	2.91%	1.64%	3.33%	6.59%	2.44%	4.95%	2.17%	
OCT	3.52%	2.36%	-5.33%	-0.33%	3.35%	3.52%	1.07%	-1.39%	4.79%	1.53%	-5.03%	2.28%	5.07%	4.47%	
NOV	3.25%	5.30%	4.10%	4.99%	5.51%	-1.17%	-2.59%	-0.42%	-0.05%	3.11%	3.05%	3.57%	-0.43%	0.59%	
DEC	2.05%	1.94%	4.08%	3.76%	3.49%	0.23%	-0.28%	7.14%	9.35%	-0.85%	4.32%	7.42%	-2.36%	-2.06%	
TOTAL	19.62%	14.99%	28.39%	27.82%	1.36%	4.01%	13.02%	14.22%	24.74%	4.06%	16.16%	22.04%	12.18%	-0.57%	2.50%

Source: BNP Paribas. Performance from 1 January 1995 to 28 February 2008 is simulated. Transaction costs have been taken into account but not taxation.

**Warning: These Simulated Performance figures are estimates only. They are not a reliable guide to the future performance of this investment.**

**Warning: Past Performance is not a reliable guide to future performance.**

## How the Investment Returns are Calculated

Investors in the Invesco Secure Bond will receive back 97.5% of their initial capital plus 100% of the performance of the Underlying Investment Strategy. Any investment return achieved over and above the initial capital invested will be subject to Deposit Interest Retention Tax (DIRT) at source.

The table below illustrates how the return is calculated on a sample investment of €50,000 in 4 different investment return conditions.

Description	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<b>Initial Investment Amount</b>	€50,000	€50,000	€50,000	€50,000
<b>Simulated Performance of Underlying Basket</b>	-30%	0%	+25%	+50%
<b>Simulated Investment Return</b>	-€15,000	€0	+€12,500	+€25,000
<b>Projected Value before DIRT</b>	€48,750	€48,750	€61,250	€73,750
<b>Compound Annual Rate before DIRT</b>	-0.64%	-0.64%	+5.31%	+10.42%
<b>Projected DIRT withheld</b>	€0	€0	€3,150	€6,650
<b>Projected Net Return</b>	€48,750	€48,750	€58,100	€67,100
<b>Compound Annual Rate after DIRT</b>	-0.64%	-0.64%	+3.90%	+7.79%

**Warning: These figures are estimates only.  
They are not a reliable guide to the future performance of this investment.**

**Warning: The value of your investment can go down as well as up.  
You may get back less than you put in**

**Warning: If you invest in this product you could lose 2.5% of the money you put in.**

**Warning: If you cash in your investment before 06 May 2013 you may lose some or all of the money you put in.**

**Warning: This illustration is based on our understanding of current Revenue law and practice which is subject to change without notice and does not constitute tax advice.**

# Key Features

## How does the Invesco Secure Bond work?

### 1. The Parties Involved in The Invesco Secure Bond are as follows:

<b>The Deposit Taker is:</b> EBS Building Society 2 Burlington Road Dublin 4	<b>The Lead Distributor is:</b> Invesco Limited 2 Sandyford Business Centre Burtonhall Road Sandyford Dublin 18
---	--

**The Arranger is:**  
Duggan Asset Management  
Suite 170 Ivy Exchange  
Granby Place  
Dublin 1

### 2. Brief Description of the Benefits of the Bond:

**The Invesco Secure Bond has the following benefits:**  
Capital Protection: 97.5% of the initial amount invested is protected on the maturity date of the bond at the end of the 3 year, 11 month term.  
Investment Return: Investors in the Invesco Secure Bond will receive a gross return of 100% of the performance of the Underlying Investment Strategy.  
Term: 3 years, 11 months.  
Underlying Investment Strategy: BNP Paribas Millenium 10 Europe Series 3 Excess Return Index.  
Initial Level: The Initial Level of the Investment Strategy is the level of the index on the Start Date of 5 June 2009. The Initial Level will be provided in the Confirmation Letter sent to each investor.

### 3. Closing Date:

The closing date for applications is 29 May 2009.

### 4. Fees & Charges

Duggan Asset Management will receive a commission in relation to its arrangement of the Invesco Secure Bond. This commission will be dependent on the total amount invested and on prevailing market conditions on the investment date of 5 June 2009. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 6 April 2009, the indicative commission payable to Duggan Asset Management will be 1.50% of the total amount invested.

The Financial Advisors distributing (Distributors) the Invesco Secure Bond will receive a distribution commission in relation to their distribution of the Bond. This commission will be dependent on the total amount invested and on prevailing market conditions on the investment date of 5 June 2009. Assuming that the

minimum subscription amount is raised and based on financial market conditions as at 6 April 2009, the indicative commission payable to the Distributors of the Invesco Secure Bond is 4.12% of the total amount invested.

### 5. Minimum Investment:

The minimum investment amount is €50,000.

### 6. Eligible Investors:

The Invesco Secure Bond is available to individual investors over aged 18. The bond is also open to pension, corporate, credit union, charity, not for profit and non-resident investors.

### 7. The Compound Annual Rate:

The Compound Annual Rate equivalent of the promised payment (or principal protected amount of 97.5% of initial capital) related to the total investment amount is -0.64%.

### 8. Dividends:

The Invesco Secure Bond does not benefit from dividends. The Invesco Secure Bond is suitable only as a capital growth investment.

### 9. Currency Risk:

Although the Underlying Indices may have a currency denomination other than the Euro, investors are not exposed to any change in the value of these currencies against the Euro, the base currency of the investment.

### 10. Capital Protection:

97.5% of the initial amount invested is protected on the maturity date of the investment at the end of the 3 year, 11 month term by EBS Building Society.

**Warning: If you invest in this product you could lose 2.5% of the money you put in.**

### 11. Averaging:

The Invesco Secure Bond has monthly averaging in the final 6 months of the 3 year, 11 month term. In the event of a significant fall in the value of the underlying index during the final 6 months of the 3 year, 11 month term, this monthly averaging can protect the value of the investment by reducing the impact of such a fall on the maturity value of the bond. However, in the event of a significant rise in the value of the underlying index during the final 6 months of the 3 year, 11 month term, this monthly averaging can reduce the value of the investment by reducing the impact of such a rise on the maturity value of the bond.

The potential impact of averaging in negative and positive investment return conditions is illustrated in the tables below:

*Illustration 1: Effect of averaging in the final 6 months if the investment returns are negative at the end of the term*

	%
Return after 3 years, 5 months	+50.00
.....	
Monthly Returns in final 6 months	
.....	
5 November 2012	-1.00
5 December 2012	-0.25
7 January 2013	-1.00
5 February 2013	-0.01
5 March 2013	-0.40
5 April 2013	-1.20
6 May 2013	-1.14
.....	
Return in final 6 months with averaging	-2.61
Return in final 6 months without averaging	-5.00
.....	
Return at end of the term with averaging	+47.39
Return at end of the term without averaging	+45.00

**Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.**

*Illustration 2: Effect of averaging in the final 6 months if the investment returns are positive at the end of the term*

	%
Return after 3 years, 5 months	+50.00
.....	
Monthly Returns in final 6 months	
.....	
5 November 2012	+1.00
5 December 2012	+0.25
7 January 2013	+1.00
5 February 2013	+0.01
5 March 2013	+0.40
5 April 2013	+1.20
6 May 2013	+1.14
.....	
Return in final 6 months with averaging	+2.61
Return in final 6 months without averaging	+5.00
.....	
Return at end of the term with averaging	+52.61
Return at end of the term without averaging	+55.00

**Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.**

## Where does my investment go?

**If a sample investment of €100,000 is made, it will be used, at the date of investment on 5 June 2009, as follows:**

€82,410 or 82.41% will be used to secure the promised payment of €97,500 payable after 3 years, 11 months. This is equivalent to a promised return on this part of the investment of -0.64% p.a. before tax is deducted.

€11,970 or 11.97% will be used to secure the cash bonus\* which may be payable after 3 years, 11 months.

€5,620 or 5.62% will be taken in charges. The arranger Duggan Asset Management will receive 1.5% and the Distributor will receive 4.12%.

Total sample investment €100,000.

\* The cash bonus is the return on the investment above the guaranteed amount.

If the cash bonus is zero, the promised payment will represent a return of -0.64% p.a. on the sample total investment over the period to the date of the promised payment, before any tax is deducted.

## Do I have access to my investment?

The Invesco Secure Bond has been designed as a medium term investment and should only be considered by investors who do not require access to their investment before the end of the term. Early encashment requests will only be permitted in exceptional circumstances. Investors should also note that the 97.5% capital protection applies only on the maturity date at the end of the 3 year, 11 month term.

**Warning: The Invesco Secure Bond has a 3 year, 11 month term. It is only suitable for investors who are willing to invest their capital for this 3 year, 11 month term.**

**Warning: If you cash in your investment before 6 May 2013 you may lose some or all of the money you put in.**

**Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor withdraws from the bond prior to the end of the 3 year, 11 month term, the practice of front-end loading will impact on the amount of money that the investor receives.**

## What happens if I die before the Invesco Secure Bond matures?

In the event of the death of a sole investor or surviving joint account holder prior to the expiry of the term, the account will continue to the maturity date in the name of the executor or administrator. Alternatively, subject to the Bank's discretion, the bond may be redeemed prior to maturity, subject to normal probate regulations, at its realisable value which may be lower than the original amount invested and lower than the principal protected amount.

**Warning: If you cash in your investment before 6 May 2013 you may lose some or all of the money you put in.**

**Warning: Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor withdraws from the bond as a result of death in the early period, the practice of front-end loading will impact on the amount of money that the investor receives.**

## What about tax?

Our understanding is that the taxation treatment of an investment in this strategy for private individuals, based on current tax law, is as follows:

- Your investment is subject to the deduction of DIRT from any interest added to your investment at maturity, before paying it to you. Under current legislation, the effective DIRT rate is 28%. This is subject to change without notice.
- You will be obliged to include this interest amount, before DIRT, in your income tax return for the year in which the investment matures.
- You will have no further personal tax liability on returns from this investment once DIRT has been deducted at maturity.
- Some investors, such as individuals over 65 and those who are permanently incapacitated, may be able to reclaim from the Revenue any DIRT deducted from the investment at maturity, if they are not otherwise liable to tax on this investment.
- Companies, Pension Funds, Non-Resident Investors, Credit Unions and Registered Charities may be entitled, in certain circumstances, to be paid the interest when the investment matures, without deduction of DIRT.
- The interest may also be subject to the Health Levy in your hands in the year in which the investment matures.
- The interest may also be subject to PRSI in your hands in the tax year in which the bond matures.

**Warning: The above information represents our understanding of the taxation treatment of the Invesco Secure Bond but does not constitute tax advice. Investors should satisfy themselves independently of the taxation treatment of the Bond, in relation to revenue reporting requirements and the implications of non-disclosure in their own personal circumstances.**

**Warning: This document is based on our understanding of current Revenue law and practice which is subject to change without notice.**

# Risk & Wealth Warnings

## Counterparty Risk

**Warning:** If EBS Building Society is not in a position to perform its role in the Invesco Secure Bond as defined in the Terms & Conditions at maturity, this may impact either the Capital Protection or Potential Investment Return payable to the investor.

## Taxation

**Warning:** This document is based on our understanding of current Revenue law and practice which is subject to change without notice and does not constitute tax advice.

## Capital Protection

**Warning:** If you invest in this product you can lose 2.5% of the money you put in.

**Warning:** The value of your investment may go down as well as up. You may get back less than you put in.

**Warning:** If you cash in your investment before 6 May 2013 you may lose some or all of the money you put in.

## Past Performance

**Warning:** Past Performance is not a reliable guide to future performance.

## Simulated Performance & Illustrations

**Warning:** These figures are estimates only. They are not a reliable guide to the future performance of your investment.

## Charges

**Warning:** Deductions for charges and expenses are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor withdraws from the bond prior to the end of the 3 year, 11 month term, the practice of front-end loading will impact on the amount of money that the investor receives.

## Investment Risk

**Warning:** The value of your investment may go down as well as up. You may get back less than you put in.

**Warning:** Investors in this Bond will not benefit from dividends. This bond is only suitable for capital growth.

## Volatility

**Warning:** The assets within the underlying index can be volatile.

## Investment Term

**Warning:** This is a 3 year, 11 month investment. There is no guarantee that the Underlying Investment Strategy will have appreciated sufficiently over this investment term to generate a positive return.

**Warning:** The Invesco Secure Bond has a 3 year, 11 month term. The Bond is only suitable for investors who do not require access to their investment prior to the end of this 3 year, 11 month term.

**Warning:** If you cash in your investment before 6 May 2013 you may lose some or all of the money you put in.

# Terms & Conditions

The following documentation is required by personal investors for anti money laundering purposes:

## • Proof of Identity

Certified copy of passport or drivers license for each person signing the application form certified by any of the following: Garda, Accountant, Solicitor, Authorised Intermediary, Bank or Building Society.

## • Proof of address

Original or certified copy of a utility bill, bank statement or revenue documentation for each person signing the application form and less than 6 months old.

Other documentation will be required for corporate, pension and charitable organisation applicants. Please refer to your financial advisor for more details. Non-resident clients will be required to present verification of identity from a reputable financial institution in the client's country of residence. The Bank will also require a non resident declaration in this case.

## 1. Definitions

'DAM' means Duggan Asset Management Limited trading as Duggan Asset Management and its successors, assigns and transferees. Duggan Asset Management Limited trading as Duggan Asset Management is regulated by the Financial Regulator.

'Bank' means EBS Building Society and its successors, assigns and transferees. EBS Building Society is regulated by the Financial Regulator.

'Bond' means The Invesco Secure Bond.

'Account' means the deposit account held with the Bank.

'You/your' means the person(s) (natural or corporate) investing money in the Bond in accordance with these Terms and Conditions and includes their successors.

'Interest' means the gross interest calculated in accordance with Clause 7.

'Term' means the duration of the Bond, which commences on 5 June 2009 ('the Start Date') and ends on the Maturity Date being 6 May 2013.

'Underlying Basket' means the BNP Paribas Millennium 10 Europe Series 3 Excess Return Index (Bloomberg: BNPIV3E Index).

'Start Date' means 5 June 2009.

'Maturity Date' means 6 May 2013.

'Closing Date' means 29 May 2009.

'Initial Valuation Date' means the official closing level of the Underlying Basket at the Start Date.

'Final Valuation Date' means the official closing level of the Underlying Basket at the Maturity Date.

'The Calculation Agent' means EBS Building Society.

## 2. Availability

- The Bond is available to personal customers (aged 18 or over) whether in their own name or in joint names. Pension funds, companies and other institutions/entities may also invest in the Bond. The minimum deposit is €50,000.
- The closing date for applications is 29 May 2009 or earlier if fully subscribed. DAM accepts no responsibility for applications (i.e. completed application form(s) plus cleared funds and any other appropriate documentation if required) until they are physically received by DAM and accepted by the Bank. Applications will not be accepted after the closing date.
- All payments in relation to the Bond will be denominated in Euro.
- No interest will be paid to you in the period up to the Start Date of 5 June 2009.

### 3. Documentation Requirements

If you are not investing in the Bond on an execution only basis or if you are being advised by an authorised investment intermediary, you must complete a full fact-find for your financial advisor which is required in order to enable your financial advisor to fulfil its obligations in assessing the suitability of this product for your needs. In addition, you will need to satisfy the anti-money laundering requirements outlined above. The account opened with the Bank is done so on an execution only basis.

### 4. Your Investment

DAM will place your investment in a fixed term deposit account in your name with the Bank. The maturity proceeds of your investment will be returned to your bank account at the end of the Term together with Interest, if any, payable by the Bank. The Bond is 97.5% Capital Protected by the Bank at maturity,

### 5. Membership

The first named individual on an account is deemed to be the representative shareholding member under the Building Societies Act 1989 (and any acts extending, amending or replacing that Act). This means that only the first named in an account may vote at meetings of EBS where all conditions for eligibility to vote have been met. For Companies, Credit Union's & Charities the entity will be a shareholding member under the Building Societies Act 1989 (and any acts extending, amending or replacing that Act). This means that the Entity may vote at meetings of EBS where all conditions for eligibility to vote have been met.

### 6. Account Operation

- The Bank will use the address of the first named account holder for all communications unless the customer specifies otherwise. Any notice or other communication sent by post will be presumed to have arrived at the account holder's address on the second working day after it was posted.
- If the account holder's address changes, the Bank reserves the right to request confirmation in writing, signed by all account holders along with documentary evidence.
- The account holder must advise the Bank in writing of any change in the name(s) of the account holders. The Bank may request that a new application form be completed. The Bank will not be able to amend their records until it receives documentary evidence of any change.
- For security reasons and as evidence in any dispute that may arise, telephone conversations may be recorded or monitored.

### 7. Interest

- The potential Interest payable on the Bond will be determined on the Maturity Date of the Bond.
- The Interest payable on the Bond will be determined using the following formula:

$$N \times \text{Max} (0\%, \frac{\text{Index}_{\text{final}} - \text{Index}_{\text{initial}}}{\text{Index}_{\text{initial}}})$$

**Where:**

**Index<sub>initial</sub>:** The Official closing price of the Underlying Basket on the Initial Valuation Date.

**Index<sub>final</sub>:** The Arithmetic Average of the levels of the Underlying Basket on the Averaging Out Dates.

**N:** Amount Invested.

**Averaging Out**

**Dates:** Monthly on the 5th calendar day of each month, from and including 5 November 2012 and including the Final Valuation Date (7 observations in total) or if such day is not an Exchange Business Day, the next following Exchange Business Day.

If at any time during the Term there is a market disruption, the Bank as calculation agent may adjust the basis for calculation of interest, as it deems in its absolute discretion appropriate, having regard to the market disruption in question. The interest on the Bond may be lower as a result of the adjustment.

- Interest where applicable will be paid after deduction of Deposit Interest Retention Tax (DIRT), currently 28%. Tax reliefs currently applying mean that for certain investors (individuals over 65, charities, pension funds, non-resident individuals etc.), interest payable on maturity of the Bond may be exempt from DIRT.
- Potential Interest earned on the Bond will be dependant on fluctuations in financial markets that are outside EBS and DAM's control. Past Performance is not a reliable guide to future performance.
- While the Capital Protection Feature is provided by the bank, any return that tracks the performance of the Underlying Basket is not certain.
- No additional investments in the Bond are allowed during the term of the Bond. After the Redemption Date, withdrawals will only be repaid directly to the investor.

### 8. Withdrawals

- Your investment is a fixed investment for the Term of the Bond and is intended only for investors who do not require access to their investment prior to its maturity.
- In the event of the death of a sole investor or surviving joint investor prior to the expiry of the Term, the Bond will continue to the Maturity Date in the name of the executor or administrator. Alternatively and where possible, the funds may be withdrawn, at the discretion of the Bank, subject to normal probate regulations, at the realisable value of the Bond (as determined by the Bank) which may be lower than the original amount invested or lower than the capital protected amount.

### 9. Maturity

The proceeds of your investment will be paid on or shortly after the Maturity Date, 6 May 2013. Your Financial Advisor will contact you before the Bond matures, advising you of the forthcoming Maturity of the Bond and advising you of your options with respect to the maturing amount. The maturing proceeds will be transferred to your bank account details supplied in the Application Form.

### 10. Right to Terminate Contract

The account holder has the option to cancel their application to invest in the Bond. In order to cancel, written notice must be received by the Bank five working days prior to the Closing Date. If the Account Holder does not exercise their right to cancel, the Account Holder will have entered into a legally enforceable contract under which the account holder will have agreed to invest in this account.

### 11. Variation

DAM reserves the right to amend these Terms and Conditions, subject to the written consent of the Bank, during the Term of the Bond if there is a material, legal, tax or regulatory change affecting these Terms and Conditions. Your Financial Advisor will notify you of any changes at least 30 days in advance of changes taking effect.

### 12. Unforeseen Events

Neither the Bank nor DAM ('The Parties') will be liable for any loss you may suffer if the Parties or its agent(s) are prevented from carrying out the financial services to you as a result of unforeseen events beyond the reasonable control of the Parties or its agent(s). In the event of a market disruption affecting the availability of pricing of the underlying basket on the maturity date the Bank will at their discretion use an appropriate pricing adjustment.

### 13. Fees

DAM receives a fee for arranging this product. An authorised investment intermediary receives a fee for distributing this product. These fees are set out in the Key Features part of this brochure above and are reflected in the terms of the investment.

### 14. Confidentiality

DAM and the Bank observe a duty of confidentiality about your financial affairs. Neither party will disclose details of your Bond investment or your name and address to anyone else, other than to any confidentially appointed agents acting on their behalf or where:

- They are permitted or compelled by law to do so
- Disclosure is made at your request and with your consent.

### 15. Deposit

By investing in this Bond, you neither hold the securities which are constituents of the relevant index nor benefit from any dividends paid on those assets. Your money is held in the form of a deposit with the Bank.

### 16. Representation

The Bank makes no representation, express or implied, as to the investment terms or the performance of the Bond. Any such statement herein, as well as other statements regarding the Bond, are the sole responsibility of DAM. The Bank acts solely as a deposit taker for the Bond and is not liable to you for the performance of the Bond or otherwise.

### 17. Information

These Terms & Conditions represent the terms of the contract between you and the Bank. You acknowledge that your application is made on the basis of and is subject to, these Terms & Conditions and this brochure and that you have not relied on any representations or other information (whether oral or written) other than as set forth herein. All information that is supplied to you and all communications with you will be in English. The information contained in this brochure is correct at the date sent to you.

### 18. Jurisdiction

The Terms and Conditions shall be governed by and construed in accordance with the laws of Ireland and the Courts of Ireland shall have exclusive jurisdiction to resolve any disputes in connection with these Terms and Conditions.

EBS Building Society is regulated by the Financial Regulator. EBS Building Society acts as deposit taker. EBS Building Society has consented to the inclusion of its name in this document in the form and context in which it appears, but otherwise has not nor is it required to authorise its issue and is not responsible for, nor has it approved, any statements or views expressed in the Bond brochure nor does it offer investment or taxation advice. The Bank makes no representation, express or implied, as to the investment returns or the performances of the Bond, or for the accuracy or otherwise of the information set out other than the information relating directly to the Bank. Any such statements herein, as well as all other statements regarding the Bond are the sole responsibility of DAM. The Bank will not be liable for any loss you may suffer if they are prevented from carrying out the financial service to you as a result of unforeseen events beyond the reasonable control of the Bank. In the event of a corporate or other action fundamentally affecting the availability or valuation of an index, the index may be substituted by another index or subject to an appropriate adjustment to its valuation.

*Disclaimer: EBS Building Society accepts no responsibility for the views expressed in this brochure, for the accuracy or otherwise of the information set out nor has the Bank verified the accuracy of such information other than the information relating directly to the Bank.*

### Data Protection

Details, information and personal data collected from you or from third parties in respect of your application, will be retained by DAM and the Bank and will be stored on computer and used for the purpose of processing your application for investment and administering any resulting service. You consent to the disclosure by DAM and the Bank of any information and personal data from you to its respective agents. You have the right to receive a copy of all personal data held by DAM and the Bank following a written request, and to have any inaccuracies in that personal data corrected in accordance with the provisions of Data Protection legislation.

### Deposit Guarantee Scheme

Deposits with the Bank are covered under the terms of the Deposit Protection Scheme, which is administered by the Financial Regulator and is funded by authorised credit institutions. This scheme provides for the protection of deposits irrespective of currency. Protection under the scheme is limited to deposits held by one depositor subject to a maximum compensation payment of €100,000.

### Complaints Procedure

Invesco aims to provide the highest quality of customer service at all times. If you have any complaint, please contact Invesco Limited, 2 Sandyford Business Centre, Burtonhall Road, Sandyford, Dublin 18. If you are dissatisfied with the outcome of our efforts to resolve your complaint you may refer your complaint to the Financial Services Ombudsman's Bureau, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2. Lo Call: 1890 88 20 90; Telephone (01) 6620899; Fax (01) 6620890. e-mail: [enquiries@financialombudsman.ie](mailto:enquiries@financialombudsman.ie)

# Invesco Secure Bond Application Form

Please complete in block capitals and return along with your personal cheque made payable to EBS Building Society. Prior to any transaction being entered into, a completed application form, together with the relevant documentation as specified below and in the attached 'Terms and Conditions' must be received.

Please tick the appropriate box: Personal Investment  Pension Fund  Company Account

## I/We confirm the following:

1. My/Our objective is capital growth.
2. My/Our investment time horizon is consistent with the maturity date of this bond.
3. I/We do not require an income from this investment.

I / We hereby apply for The Invesco Secure Bond in the name(s) of:

### FIRST INVESTOR:

Title:  Name:  Date of Birth:

Address:

Tel No:  Email:

### JOINT INVESTOR:

Title:  Name:  Date of Birth:

Address:

Tel No:  Email:

Personal Bank Account Details Sort Code:  Account No:

I / We wish to invest € \_\_\_\_\_ in the Invesco Secure Bond (Minimum Investment €50,000).

Tick the box below as appropriate: I/We qualify for the following taxation classification: DIRT  Other\*

\*Relevant documentation will be required for tax-free status in the case of charities, credit unions, pension funds, companies and non-Irish residents.

### Keeping you Informed

Invesco Limited would like to keep you informed by letter and by phone about products, services and additional benefits that we believe may be of interest to you. If you don't want us to do this, please place a cross in this box.

Invesco Limited would also like to keep you informed via your e-mail address and mobile number you may have provided earlier in this form. May we keep you informed by electronic means, such as email and mobile messaging? Yes  No

### Giving your Consent

By signing this application you are agreeing that we may use your information in the way described in this form (including the 'Keeping you Informed' section) and in the associated Terms and Conditions.

### Your Declaration:

I/We declare that the details above are correct, that I/We are over 18 and confirm that I/We understand and accept the Key Features and Terms & Conditions on the Bond set out in the Invesco Secure Bond Brochure. I/We understand that if we invest in the product that I/We can lose 2.5% of the money I/We put in. I/We understand that the investment will not be deemed to have been made until the application has been accepted and that, if and when accepted, the investment will commence on 5 June 2009. I/We understand that investments may go down as well as up. I/We may get back less than I/We put in. I/We understand that if we encash our investment before 6 May 2013 I/We may lose some or all of the money invested.

Signature (First Investor): \_\_\_\_\_ Date: \_\_\_\_\_

Signature (Joint Investor): \_\_\_\_\_ Date: \_\_\_\_\_

### Financial Advisor Declaration:

1. I have explained the available investment options with my client and taking into account their circumstances, long term needs, age and attitude to risk, I am satisfied that the Invesco Secure Bond is suitable for their needs.
2. I confirm that the identification procedures have been completed in compliance with the Criminal Justice Act 1994 for the Investor.

Signature Financial Advisor: \_\_\_\_\_ Date: \_\_\_\_\_

PLEASE RETURN YOUR **1** COMPLETED APPLICATION FORM, **2** PROOF OF IDENTITY AND EVIDENCE OF ADDRESS AS DETAILED IN TERMS AND CONDITIONS AND **3** CHEQUE MADE PAYABLE TO **EBS BUILDING SOCIETY** TO: INVESCO LIMITED, 2 SANDYFORD BUSINESS CENTRE, BURTONHALL ROAD, SANDYFORD, DUBLIN 18

.....  
If you would like to discuss your financial or pension requirements please contact your local Invesco office.  
.....

**Dublin**

2 Sandyford Business Centre  
Burtonhall Road, Sandyford, Dublin 18.  
tel: +353 1 294 7600      fax: +353 1 294 7633  
.....

**Cork**

7 Webworks, Eglinton Street, Cork  
tel: +353 21 480 8042      fax: +353 21 431 0530  
.....

web [www.invesco.ie](http://www.invesco.ie)      email [info@invesco.ie](mailto:info@invesco.ie)  
.....



Winner Best Financial Services Consultancy 2007



Winner Best Life & Pensions Broker 2008



Invesco Limited is regulated by the Financial Regulator