

**BESPOKE**  
Investments Limited

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**The Bespoke Secure  
Absolute Return  
Bond Series II**

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Closing date: 26 March 2010



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# INTRODUCTION

At Bespoke Investments Limited, our aim is to provide financial advisors with the highest quality “Bespoke” investments tailored to their specific investment needs. Our unique products are suitable for Personal, Pension and Corporate investors and we endeavor to look to the future and provide unique investment structures tailor made for the times we are experiencing now, as well as those we are likely to experience in the future.

Our products are designed to provide financial advisors with the tools to offer their clients ways to both protect and profit from a changing and challenging market environment, as well as potentially hedging existing investments as part of a balanced portfolio. We are delighted to launch the fifth product in the “Bespoke” range which we have called The Bespoke Secure Absolute Return Bond Series II.

In the current climate we find ourselves, there is no end to commentary from market “guru’s” outlining their predictions of what is coming in the future. We at Bespoke investments Limited believe that some will be right and many wrong, but we believe that the future of the markets and global economy is far from certain.

Let us consider some of the theories doing the rounds at present:

## **A V-Shaped Recovery (Pic 1)**

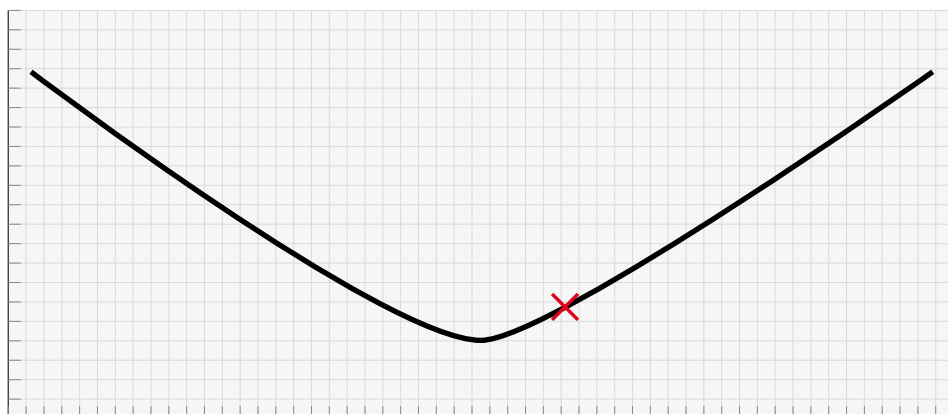
This is the theory whereby some commentators believe that we have already hit the bottom of the market and in fact we are at the beginning of a recovery, the only question being how long the recovery will take. These theorists believe that fiscal stimulus from many governments worldwide is working, spurring growth, asset reflation and economic recovery. Whilst this may be the case, the evidence is far from conclusive and very mixed signals remain.

## **A W-Shaped Recovery (Pic 2)**

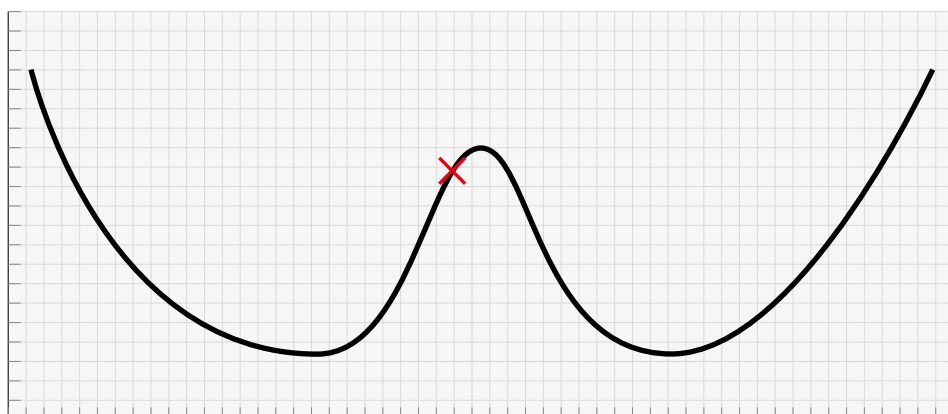
This is the theory whereby some commentators believe we are in “the eye of a storm”, that the significant market rally we saw last year was artificial and that we are set for another devastating down leg in both the markets and the global economy sometime this year. Whilst we at Bespoke Investments Limited can see some merits in this argument, there are certainly some evident signs of green shoots in many global economies and that it is possible a sustainable recovery may be under way.

## **A U-Shaped recovery (Pic 3)**

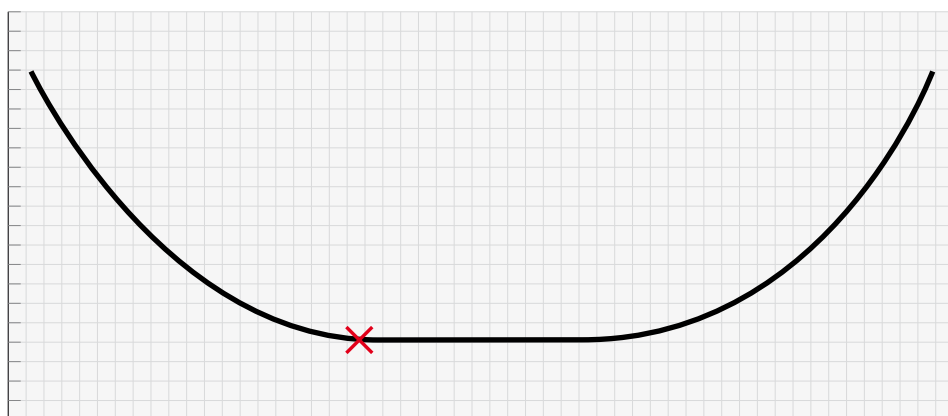
This is the theory that although the worst may be behind us, it will be some time before growth returns and we will be moving sideways along the bottom for an extended period before a meaningful recovery begins.



(Pic 1) A sample V-Shaped recovery graph and where we might be currently.



(Pic 2) A sample W-Shaped recovery graph and where we might be currently.



(Pic 3) A sample U-Shaped recovery graph and where we might be currently.

We believe that arguments exist which could justify any one of the three scenarios. Only upon reflection, probably some 18/24 months from now, will it become evident which one of these scenarios turns out to be the 'correct call'.

With European interest rates at 1%, we believe placing monies on deposits is not however the answer at this stage. We understand the need for capital security and at the same time have sought to develop an investment that has both a proven track record and a history of delivering strong, predictable, consistent returns regardless of the market environment and direction in which the economy is headed.

Bespoke Investments Limited is of the view that most of the current competing products available in the market place are based on markets recovering. Our view is that the short to medium term is much less certain than a year ago when we believed correctly that markets were truly at depressed and oversold levels.

The Bespoke Secure Absolute Return Bond Series II is a 3.5 year capital secure investment in the BNP Paribas Platinum Series 2 Index. This is an absolute return, low volatility managed index that has provided strong CONSISTENT returns over the last 9 years approximately, through some of the most volatile economic times in history.

The index would have averaged 7.37% compound per annum since its launch in February 2001. The Bespoke Secure Absolute Return Bond Series II seeks to produce positive returns regardless of market conditions by diversifying into 4 asset classes, namely equities, currency, commodities and volatility and has the ability to make money by going long (backing an asset to rise) or by going short (backing an asset to fall).

# EXECUTIVE SUMMARY

The Bespoke Secure Absolute Return Bond Series II is an innovative investment solution designed for investors who wish to invest in a low risk, actively managed diverse portfolio of asset classes.

## The main features are as follows:

There are two options available for investors in this bond, **The Bespoke Secure Absolute Return Bond Series II – Protected Option** and **The Bespoke Secure Absolute Return Bond Series II – Growth Option**.

- **The Bespoke Secure Absolute Return Bond Series II – Protected Option is 100% Capital Protected** by Ulster Bank Ireland Limited at maturity. **The Bespoke Secure Absolute Return Bond Series II – Growth Option is 90% Capital Protected** by Ulster Bank Ireland Limited at maturity. Ulster Bank Ireland Limited is regulated by the Financial Regulator.
- Investors in the Bespoke Secure Absolute Return Bond Series II – Protected Option will receive back 100% of their initial capital plus 100% of the growth in the underlying investment strategy at the end of the term. Investors in the Bespoke Secure Absolute Return Bond Series II – Growth Option will receive back 90% of their initial capital plus 250% 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 Bespoke Secure Absolute Return Bond Series II has a fixed 3 year, 6 month term. Although provision has been made for investors to access their monies invested before the end of this 3 year, 6 month term, this is a medium term investment and should only be considered by investors who are content to adopt a 3 year, 6 month term for this investment.

- The Underlying Investment Strategy: The BNP Paribas Platinum Index Series 2 has been chosen following detailed research of the Low Risk, 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 attractive track record to date.
- The BNP Paribas Platinum Index Series 2 is invested in an equally weighted basket of the following assets:
  - Equities
  - Foreign Exchange
  - Commodities
  - Volatility
- The BNP Paribas Platinum Index Series 2 invests in a traditional asset class (equities) but also invests in Alternative Asset Classes like commodities, currencies and volatility. The Bond employs Alternative Investment Techniques including taking short positions in assets expected to fall in value in order to attempt to earn positive returns for investors as these assets fall.
- 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 Minimum Investment is €25,000.
- The Closing Date for applications is 26th March 2010.

- The Bespoke Secure Absolute Return Bond Series II is also available to private investors, members of Small Self Administered Pension Schemes (SSAP), Self Invested Personal Pension (SIPP), ARF/AMRF Investors, Credit Union and Corporate Investors.
- The base currency of the Bespoke Secure Absolute Return Bond Series II is Euro. Investors in the Bond are not subject to the risks associated with currency fluctuations.
- The Bespoke Secure Absolute Return Bond Series II is exclusive to Authorised Investment Advisors of Bespoke Investments Limited and their clients.
- Ulster Bank Ireland Limited accepts no responsibility for the accuracy or otherwise of the information set out in this brochure nor has it verified the accuracy of such information other than the information directly relating to the Bank.



# DESCRIPTION OF THE BOND

## The BNP Paribas Platinum Index Series 2

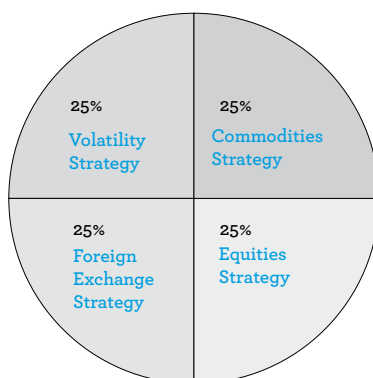
The Bond is invested in the Underlying Index: The BNP Paribas Platinum Index Series 2.

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).

### Where is the BNP Paribas Platinum Index Series 2 invested?

The Underlying Index is invested in an equally weighted basket of 4 Absolute Return Strategies as follows:

- Equities
- Foreign Exchange
- Commodities
- Volatility



### 1. Equities Strategy

The Underlying Index will take long and short positions on equity investment styles with a market neutral bias. Investment Managers prefer different equity investment styles (e.g. value, growth, high yield etc.) depending on prevailing market conditions. This leads to performance spreads between the popular and less popular styles that the Underlying Index attempts to exploit. For example, if a growth equity investment style returns +10% and a value equity investment style returns -5%, the Underlying Index will use long and short positions in these underlying equity investment styles to attempt to capture a return of +15%, the spread or difference between the two styles.

### 2. Foreign Exchange Strategy

The Underlying Index attempts to produce an investment return by capturing the yield spread or difference between currencies. For example, interest rates among countries differ which produces different yields on the currencies that represent these countries. If Europe's interest rate is 1% and the United States' interest rate is 5%, it is possible to borrow Euros in Europe at 1% and lend the corresponding amount in US dollars at 5%. In this example, the Underlying Index can capture the 4% spread or difference (assuming the exchange rate between the Euro and the US dollar is unchanged).

### 3. Commodities Strategy

The Underlying Index will take long and short positions on commodity markets. Commodities are a heterogeneous asset class i.e. they are very diverse and do not necessarily move in the same direction at the same time. This diversity creates opportunities to produce an investment return by capturing the spread or difference between different commodities. For example, if oil decreases by -10% while gold increases by +5%, the Underlying Index will use long and short positions in these underlying commodities to attempt to capture a return of +15%, the spread or difference between the two commodities. The Underlying Index can also take a net long or net short position in a commodity or the commodity markets in order to take advantage of trends in the overall commodity market.

### 4. Volatility Strategy

The Underlying Index attempts to produce an investment return by exploiting the volatility in stock markets. The volatility of stocks (the level of actual volatility observed afterward by the market) tends to be lower than the implied level of volatility that is anticipated beforehand. For example, if the 1 year implied volatility is traded at 20% and one year later is realised at 18%, the Underlying Index attempts to produce an investment return by capturing the 2% spread or difference between the implied and realised volatility.

# DESCRIPTION OF THE BOND

## The Investment Objectives of the Index

The objective of the BNP Paribas Platinum Index Series 2 is to provide an Optimised Risk/Return Ratio. This is achieved by:

### Combining 4 time-tested individual investment strategies (described above):

- A high level of risk control is built into each of the 4 individual investment strategies.
- Provides the potential to deliver stable performance with a low volatility.

### Creating a basket of investment strategies with a historic average risk/return ratio higher than 2

- Strong complementarity between the 4 individual investment strategies, each relying on different performance engines.

- Low correlation between the 4 individual investment strategies: the risk/return ratio is approximately 1 on average at the individual investment strategy level and exceeds 2 when the strategies are combined in the overall basket.

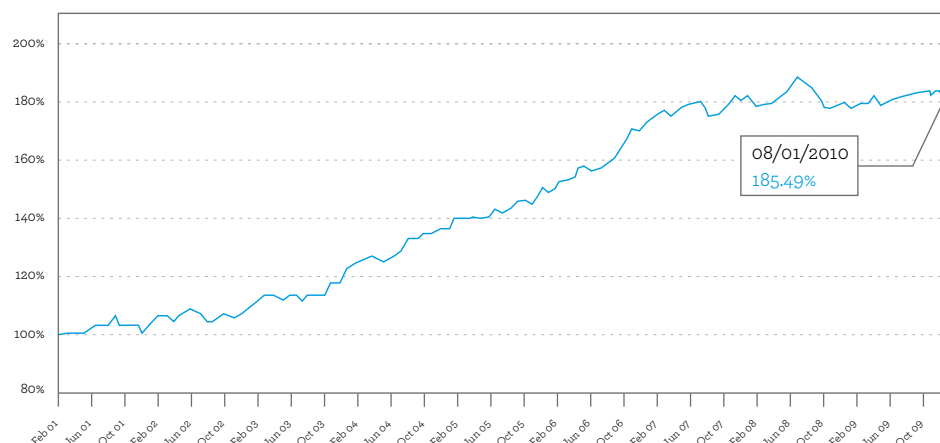
### Conducting rigorous control over the volatility of the strategies and the basket:

- The overall exposure to the individual investment strategies is managed on a daily basis to maintain a level of volatility close to 3%.

## Past & Simulated Performance

Historical simulations show a strong risk-adjusted **annualised performance of 7.37%** with an annual volatility of approximately 3.54%.

### BNP Paribas Platinum Series 2 Index



Source: Bloomberg, BNP Paribas. Performance as of January 2010; Simulations over the 5 February 2001 to 08 January 2010 period; Excess Returns, in EUR net of fees Note: Global Equity: MSCI World (MXWO), European Bonds: IBOXX Eurozone Sovereign 5-7 Performance (QW1M), Commodities: S&P GSCI (SPGSCIP) Past performance is not necessarily a guide to future performance. No company of the BNP Paribas Group will be liable for any direct or indirect loss resulting from the use of the contents of this report. These simulations are the result of estimates made by BNP Paribas at a given moment on the basis of the parameters selected by BNP Paribas, of market conditions at this given moment and of historical data, which should not be used as guidance, in any way, of the future results of the BNP Paribas Platinum Index Series 2. Consequently the figures and prices indicated in this document have an indicative value only and do not constitute in any way an offer on behalf of BNP Paribas.

**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

### The Bespoke Secure Absolute Return Bond Series II – Protected Option

Investors in the Bespoke Secure Absolute Return Bond Series II – Protected Option will receive back 100% 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 €100,000 in 5 different investment return conditions:

Description	Example 1: Positive Return	Example 2: Positive Return	Example 3: Neutral Return	Example 4: Negative Return	Example 5: Negative Return
Initial Amount Invested	€100000.00	€100000.00	€100000.00	€100000.00	€100000.00
Projected Increase in Underlying Index	20%	40%	0%	-20%	-40%
Participation Rate	100%	100%	100%	100%	100%
Projected Investment Return	€20000.00	€40000.00	€0.00	€0.00	€0.00
Return of Capital Protected Amount	€100000.00	€100000.00	€100000.00	€100000.00	€100000.00
Projected Value before DIRT	€120000.00	€140000.00	€100000.00	€100000.00	€100000.00
Compound Annual Return before DIRT	5.34%	10.08%	0.00%	0.00%	0.00%
Projected DIRT Withheld	-€5600.00	-€11200.00	€0.00	€0.00	€0.00
Projected Net Return	€114400.00	€128800.00	€100000.00	€100000.00	€100000.00
Compound Annual Return after DIRT	3.91%	7.49%	0.00%	0.00%	0.00%



**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 cash in your investment before 07 October 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.

## How the investment returns are calculated

### The Bespoke Secure Absolute Return Bond Series II – Growth Option

Investors in the Bespoke Secure Absolute Return Bond Growth Option will receive back 90% of their initial capital plus 250% 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 €100,000 in 5 different investment return conditions:

Description	Example 1: Positive Return	Example 2: Positive Return	Example 3: Neutral Return	Example 4: Negative Return	Example 5: Negative Return
Initial Amount Invested	€100000.00	€100000.00	€100000.00	€100000.00	€100000.00
Projected Increase in Underlying Index	20%	40%	0%	-20%	-40%
Participation Rate	250%	250%	250%	250%	250%
Projected Investment Return	€50000.00	€100000.00	€0.00	€0.00	€0.00
Return of Capital Protected Amount	€90000.00	€90000.00	€90000.00	€90000.00	€90000.00
Projected Value before DIRT	€140000.00	€190000.00	€90000.00	€90000.00	€90000.00
Compound Annual Return before DIRT	10.08%	20.10%	-2.96%	-2.96%	-2.96%
Projected DIRT Withheld	-€11200.00	-€25200.00	€0.00	€0.00	€0.00
Projected Net Return	€128800.00	€164800.00	€90000.00	€90000.00	€90000.00
Compound Annual Return after DIRT	7.49%	15.32%	-2.96%	-2.96%	-2.96%



**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 10% of the money you put in.

**Warning:** If you cash in your investment before 07 October 2013 you may lose some or all of the money you put in.

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# KEY FEATURES

## How does the Bespoke Secure Absolute Return Bond Series II work?

### 1. The Parties Involved in The Bespoke Secure Absolute Return Bond Series II are as follows:

The Issuer is:  
Ulster Bank Ireland Limited (The Bank)  
Ulster Bank Group Centre  
George's Quay  
Dublin 2

Ulster Bank Ireland Limited is a part of the Royal Bank of Scotland group of companies along with ABN Amro N.V. and The Royal Bank of Scotland plc.

The Distributor is:  
Bespoke Investments Limited  
20 Laurence Street  
Drogheda  
Co. Louth

The Arranger and Lead Distributor is:  
Duggan Asset Management  
Suite 170 Ivy Exchange  
Granby Place  
Dublin 1

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

The Bespoke Secure Absolute Return Bond Series II has the following benefits:

#### There are 2 Options for investors in this Bond as follows:

##### Option 1: The Bespoke Secure Absolute Return Bond Series II – Protected Option

**Capital Protection:** 100% of the initial amount invested is protected on the maturity date of the bond at the end of the 3 year, 6 month term.  
**Investment return:** Investors in the Bespoke Secure Absolute Return Bond Series II – Protected Option will receive back 100% of their initial capital plus a gross return of 100% of the performance of the Underlying Investment Strategy.

**Term:** 3 years, 6 months.

**Underlying Investment Strategy:** BNP Paribas Platinum Index Series 2.

**Initial Level:** The Initial Level of the Investment Strategy is the level of the index on the Start Date of 06 April 2010. The Initial Level will be provided in the Confirmation Letter sent to each investor.

##### Option 2: The Bespoke Secure Absolute Return Bond Series II – Growth Option

**Capital Protection:** 90% of the initial amount invested is protected on the maturity date of the bond at the end of the 3 year, 6 month term.

**Investment return:** Investors in the Bespoke Secure Absolute Return Bond Series II – Protected Option will receive back 90% of their initial capital plus a gross return of 250% of the performance of the Underlying Investment Strategy.

**Term:** 3 years, 6 months.

**Underlying Investment Strategy:** BNP Paribas Platinum Index Series 2.

**Initial Level:** The Initial Level of the Investment Strategy is the level of the index on the Start Date of 06 April 2010. The Initial Level will be provided in the Confirmation Letter sent to each investor.

### 3. Closing Date:

The closing date for applications is 26th March 2010.

### 4. Fees & Charges

Duggan Asset Management will receive a commission in relation to its arrangement of the Bespoke Secure Absolute Return Bond. This commission will be dependent on the total amount invested and on prevailing market conditions on the investment date of 01 April 2010. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 11 January 2010, the indicative commission payable to Duggan Asset Management will be 1% of the total amount invested.

Bespoke Investments Limited will receive a distribution commission in relation to its distribution of the Bond. This commission

# KEY FEATURES

will be dependent on the total amount invested and on prevailing market conditions on the investment date of 06 April 2010. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 11 January 2010, the indicative commission payable to the Distributor of the Bespoke Secure Absolute Return Bond Series II – Protected Option is 1.43% to 1.93% (depending on the commission payable to the investment intermediary) of the total amount invested. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 11 January 2010, the indicative commission payable to the Distributor of the Bespoke Secure Absolute Return Bond Series II – Growth Option is 1.36% to 1.86% (depending on the commission payable to the investment intermediary) of the total amount invested.

Investment Intermediaries will receive a commission of 3% to 3.5% from Bespoke Investments Limited for advising individual investors and for introducing these investors to the Bespoke Secure Absolute Return Bond Series II Protected and Growth Options. The level of commission payable to each Investment Intermediary will depend on the volume of business introduced by that Investment Intermediary to Bespoke Investments Limited.

## 5. Minimum Investment:

The minimum investment amount is €25,000.

## 6. Eligible Investors:

The Bespoke Secure Absolute Return Bond Series II 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 Capital Protected Amount of 100% of the Deposit Amount in respect of the Bespoke Secure Absolute Return Bond Series II – Protected Option) related to the total investment amount is 0%.

The Compound Annual Rate equivalent of the promised payment (or Capital Protected Amount of 90% of the Deposit Amount in respect of the Bespoke Secure Absolute Return Bond Series II – Growth Option) related to the total investment amount is -2.96%.

## 8. Dividends:

The Bespoke Secure Absolute Return Bond Series II does not benefit from dividends. The Bespoke Secure Absolute Return Bond Series II 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:

### Option 1: The Bespoke Secure Absolute Return Bond Series II – Protected Option

100% of the initial amount invested is protected on the maturity date of the investment at the end of the 3 year, 6 month term by Ulster Bank Ireland Limited.

### Option 2: The Bespoke Secure Absolute Return Bond Series II – Growth Option

90% of the initial amount invested is protected on the maturity date of the investment at the end of the 3 year, 6 month term by Ulster Bank Ireland Limited.



**Warning: If you invest in Option 2 you could lose 10% of the money you put in.**

**Warning: If either Ulster Bank Ireland Limited or BNP Paribas is not in a position to perform its role in the Bespoke Secure Absolute Return Bond (as defined in the Terms & Conditions) at maturity, this may impact either the Capital Protection or potential investment return payable to the investor.**

## 11. Averaging:

The Bespoke Secure Absolute Return Bond Series II has monthly averaging in the final 6 months of the 3 year, 6 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, 6 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, 6 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.



## Where does my investment go?

### Option 1: The Bespoke Secure Absolute Return Bond Series II – Protected Option

If a sample investment of €100,000 is made, it will be used, at the date of investment on 06 April 2010, as follows:

€100,000 or 100% will be used to secure the promised payment of €100,000 payable after 3 years, 6 months. This is equivalent to a promised return on this part of the investment of 0% p.a. before tax is deducted.

€0 or 0% will be used to secure the cash bonus which may be payable after 3 years, 6 months.

€0 or 0% will be taken in charges.

If the cash bonus is zero, the promised payment will represent a return of 0% p.a. on the sample total investment over the period to the date of the promised payment, before any tax is deducted.

### Option 2: The Bespoke Secure Absolute Return Bond Series II – Growth Option

If a sample investment of €100,000 is made, it will be used, at the date of investment on 06 April 2010, as follows:

€90,000 or 90% will be used to secure the promised payment of €90,000 payable after 3 years, 6 months. This is equivalent to a promised return on this part of the investment of -2.96% p.a. before tax is deducted.

€10,000 or 10% will be used to secure the cash bonus which may be payable after 3 years, 6 months.

€0 or 0% will be taken in charges.

If the cash bonus is zero, the promised payment will represent a return of -2.96% 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 Bespoke Secure Absolute Return Bond Series II 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 100% Capital Protection that applies to the Bespoke Secure Absolute Return Bond Series II – Protected Option and the 90% Capital Protection that applies to the Bespoke Secure Absolute Return Bond Series II – Growth Options apply only on the maturity date at the end of the 3 year, 6 month term.

**Warning: The Bespoke Secure Absolute Return Bond Series II has a 3 year, 6 month term. It is only suitable for investors who are willing to invest their capital for this 3 year, 6 month term.**

**Warning: If you cash in your investment before 07 October 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, 6 month term, the practice of front-end loading will impact on the amount of money that the investor receives.**

# KEY FEATURES

## What happens if I die before the Bespoke Secure Absolute Return Bond Series II 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 07 October 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 Deposit Interest Retention Tax (DIRT) from any Interest added to your investment at maturity (i.e. the excess of (i) the Capital Protected Amount plus the Variable Amount over (ii) the Deposit Amount), 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 investment return 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 investment return when the investment matures, without deduction of DIRT.
- The investment return may also be subject to the Health Levy in your hands in the year in which the investment matures.
- The investment return 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 Bespoke Secure Absolute Return Bond Series II 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.**



# 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, designated body.
- Proof of address  
Certified copy of 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, credit union 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 following documentation is required by all investors for taxation purposes:

- Personal Investors:  
Documentary evidence of PPS Number for each person signing the application form Certified copy of P60, company payslip (if the company is registered for tax) or official correspondence from the Revenue Commissioners less than 6 months old.
- Non-Personal Investors:  
Documentary evidence of Tax Reference Number Certified copy of official correspondence from the Revenue Commissioners less than 6 months old.

## 1. Definitions

'Bespoke' means Bespoke Investments Limited in their capacity as Distributor of the Bond;  
'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.  
'The Bank' means Ulster Bank Ireland Limited and its successors, assigns and transferees. Ulster Bank Ireland Limited is regulated by the Financial Regulator.  
'Bond' means The Bespoke Secure Absolute Return Bond Series II.  
'Account' means a deposit account opened in the name of DAM 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.  
'Capital Protected Amount' means 100% of the Deposit Amount in the case of The Bespoke Secure Absolute Return Bond Series II - Protected Option and 90% of the Deposit Amount in the case of The Bespoke Secure Absolute Return Bond Series II - Growth Option.  
'Variable Amount' shall mean the investment return payable in addition to the Capital Protected Amount in respect of The Bespoke Secure Absolute Return Bond in accordance with Clause 5.  
'Term' means the duration of the Bond, which commences on 06 April 2010 ('the Start Date') and ends on the Maturity Date being 07 October 2013.  
'Underlying Index' means the BNP Paribas Platinum Index Series 2 (Bloomberg: BNPIZEER Index).  
'Start Date' means 06 April 2010.  
'Maturity Date' means 07 October 2013.  
'Closing Date' means 26 March 2010.  
'The Calculation Agent' means Ulster Bank Ireland Limited.  
'The Counterparty' means BNP Paribas.  
'Deposit Amount' means the amount invested by you in the Bond.  
'Interest' means the gross interest calculated in accordance with Clause 5.

## 2. Availability

(a) The Bond is available to personal customers (aged 18 or over) whether in their own name or in joint names. Pension funds, companies, credit unions and other institutions/entities may also invest in the Bond.

The minimum deposit is €25,000.

- (b) The closing date for applications is 26 March 2010 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. Applications will not be accepted after the closing date.
- (c) All payments in relation to the Bond will be denominated in Euro.
- (d) No interest will be paid to you in the period up to the Start Date of 06 April 2010.

## 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 fulfill 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.

## 4. Your investment

Your investment is 100% capital protected at maturity in respect of the Bespoke Secure Absolute Return Bond Series II - Protected Option and 90% capital protected at maturity in respect of the Bespoke Secure Absolute Return Bond Series II - Growth Option. DAM will place your investment in the Account in DAM's name with the Bank. The maturity proceeds of your investment will be returned to you at the end of the Term together with any investment return payable by the Bank.

## 5. Interest

- (a) The potential investment return payable on the Bond will be determined on the Maturity Date of the Bond.
- (b) The investment return payable on the maturity in respect of the Bespoke Secure Absolute Return Bond Series II - Protected Option will be 100% of the uplift, if any, in the Underlying Index and will be added to the capital protected level of 100% of the amount initially invested.

The investment return payable on the maturity in respect of the Bespoke Secure Absolute Return Bond Series II - Growth Option will be 250% of the uplift, if any, in the Underlying Index and will be added to the capital protected level of 90% of the amount initially invested.

# TERMS & CONDITIONS

(c) The Closing Level of the Underlying Index will be subject to averaging. This is calculated by taking the closing levels of this Index at the Observation Dates and taking their average closing level to provide the final Closing Level. The Observation Dates will be the 6th calendar day of each month, from and including 6th April 2013 to 1st October 2013 (i.e. 7 observations in total) provided that if the date on which the observation is to be made be the next following Business Day, unless such day should fall in the next calendar month, in which case it will be the first preceding day that is a Business Day.

Please note that averaging over the Term may have a negative impact on the investment return meaning that you may not receive the maximum benefit of any gains that may be made by the asset within the Underlying Investment Strategy over the Term. However, averaging over the Term may also have the effect of protecting from the full extent of any losses that may be suffered within the asset that makes up the Reference Basket over the Term.

(d) Whilst your investment is 100% capital protected by the Bank in respect of the Bespoke Secure Absolute Return Bond Series II - Protected Option and 90% capital protected by the Bank in respect of the Bespoke Secure Absolute Return Bond Series II - Growth Option, any return that tracks the performance of the Underlying Index is not certain. Investment return is provided from the payout of a financial derivative purchased by the Bank from BNP Paribas (the "Counterparty") before the Start Date. Any investment return which may be payable on the Account at the maturity of the Term is conditional on the fulfilment of the Counterparty's obligations to the Bank.

In certain, albeit extreme circumstances, the Counterparty may terminate or default on the derivative contract before its natural expiry. If this were to happen, the return on the Account to such termination will be calculated using best market practice and no further investment return will be earned on the Bond.

Investment return earned to the date of termination will be held in an interest bearing deposit account and will be credited to the Account on the Maturity Date. You will be entitled to the return of the Capital Protected Amount

plus any investment return earned, payable on maturity. In the event of the Counterparty being unable to fulfil its obligations to the Bank, your returns may be limited to the return of your Capital Protected Amount only.

(e) If any date mentioned in this Clause 5 does not fall on a day on which the Banks are open for business in London and Dublin, the next following day on which they are open will be used in its place.

(f) Investment return earned on the Bond will be dependant on fluctuations in financial markets that are outside Bespoke's, DAM's and the Bank's control. Past Performance or Simulated Past Performance is not a reliable guide to future performance.

## 6. Withdrawals

(a) 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.

(b) 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, subject to normal probate regulations, at the realisable value of the Bond (as determined by the Bank) which may be lower than the lower than the Capital Protected Amount.

No additional investments in the Bond are allowed during the term of the Bond.

## 7. Disclaimer

Reference within the Reference Basket to particular stocks or indices are included only to indicate the basis upon which the investment return is calculated, not to indicate any association between the Bank and the relevant stock or the relevant index provider, nor does such reference indicate any endorsement of the investment by the relevant stock or the relevant index provider. The product is not in any way sponsored, sold or promoted by any stock market, index, exchange or, index sponsor, and they make no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of such stock market and/or the figure at which the stock market, index or exchange stands at any particular

time on any particular day or otherwise. They shall not be liable (whether in negligence or otherwise) to you for any error in the relevant stock market, relevant index or related exchange and shall not be under any obligation to advise any person of any error therein.

## 8. Tax

The investment is held in the form of a deposit account. Under current legislation, the Interest, if any, payable to investors (i.e. the excess of (i) the Capital Protected Amount plus the Variable Amount over (ii) the Deposit Amount) paid to investors who are Irish resident at maturity will be subject to Deposit Interest Retention Tax of 28%, being the standard rate of Deposit Interest Retention Tax (25%) plus 3%. These tax deductions will apply at the maturity of the investment and will be made at source by the Bank.

Certain non-residents, pension funds, charities, credit unions and companies may apply to receive returns gross without deduction of tax. Investors are responsible for providing any information or documentation necessary to confirm status.

All investors must accurately disclose all material facts. Investors are responsible for providing any information or documentation necessary to confirm non-residency, pension fund, charity, company etc status. Investors must satisfy themselves in relation to all revenue reporting and disclosure requirements and the implications of any such non-disclosure.

## 9. Maturity

The proceeds of your investment will be paid on or after 07 October 2013. Your Financial Advisor will contact you before the Bond matures, advising you of the forthcoming Maturity Date and advising you of your options with respect to the maturing amount.

## 10. Right to Terminate Contract

You have the right to cancel this contract prior to the Start Date of the Bond.

## 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. Fees

DAM receives a fee for arranging this product. Bespoke receives a fee from DAM for distributing this product. An authorised Investment Intermediary receives a fee for advising investors in relation to this product. These fees are set out in the Key Features part of this brochure and are reflected in the terms of the investment.

#### 13. Confidentiality

Bespoke, DAM and the Bank observe a duty of confidentiality about your financial affairs. Neither Bespoke, DAM nor the Bank will disclose details of your 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.

The Bank may pass your information to other companies within the Royal Bank of Scotland group of companies, of which it is a member.

#### 14. 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 on deposit with the Bank at all times.

#### 15. Representation

The contents of this brochure are the responsibility of Bespoke and DAM and the Bank accepts no liability in respect this brochure or its contents other than the information directly related to the Bank. The Bond is distributed by DAM under its distribution agreement with the Bank. Any other Distributor appointed by Bespoke or DAM is appointed by Bespoke or DAM only and is not employed by the Bank.

#### 16. Market Disruption

If at any time during the Term any of the events listed in subparagraphs (i) to (iii) occurs

(each such event a "Market Disruption Event") in the form of: (i) a disruption or suspension of, or limitation on, the operations of any of the parties or entities connected with the provision of services affecting the Bond, for any reason whatsoever; (ii) any material modification of the Underlying Index for any reason whatsoever; or (iii) the calculation and/or publication of the underlying index is taken over by another person, or is replaced by a successor index, or an error in the level of the index is discovered for any reason whatsoever or the index ceases to exist; then the Bank may adjust the values used in the calculation of the Interest as it deems appropriate, having regard to the Market Disruption in question. The Interest (if any) may be lower as a result of the adjustment. Further, following a Market Disruption Event, the Bank may substitute the index with a similar investment.

#### 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 the attached 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.

# DATA PROTECTION

## Your Personal Data – Ulster Bank Ireland Limited

### 1 Your information

#### 1.1 Who is Ulster Bank Ireland Limited?

Your account is with Ulster Bank Ireland Limited who is a data controller. Your broker, distributor or intermediary may be a joint data controller with Ulster Bank Ireland Limited. Please refer to your broker, distributor or intermediary for information on how they will use your information. Ulster Bank Ireland Limited is a member of the Royal Bank of Scotland Group (the Group). For information about our Group of companies please visit please visit [www.rbs.com](http://www.rbs.com) and click on 'About Us', or for similar enquiries please telephone 00 44 131 556 8555.

#### 1.2 Your electronic information

If you contact Ulster Bank Ireland Limited electronically, we may collect your electronic identifier, (e.g. Internet Protocol (IP) address or telephone number) supplied by your service provider.

### 2 How Ulster Bank Ireland Limited uses your information and who we share it with?

2.1 Ulster Bank Ireland Limited may use and share your information with other members of the Group to help Ulster Bank Ireland Limited and them. It will be used, for example, to help develop customer relations or to help Ulster Bank Ireland Limited make credit related decisions about you. Such credit-related decisions may be made solely by means of automatic processing. You consent to such processing.

2.2 Your information includes information about your transactions.

2.3 Ulster Bank Ireland Limited may link information between your accounts and other products and services you hold with Ulster Bank Ireland Limited. Ulster Bank Ireland Limited may also link information between you and others with whom you have a financial link. Unless you consent, Ulster Bank Ireland Limited will not use the links for marketing purposes.

2.4 Ulster Bank Ireland Limited does not disclose your information to anyone outside of the Group except:-

- Where we have your consent
- Where we are required or permitted to do so by law

- To other companies who provide a service to us or you
- Where we may transfer rights and obligations under this agreement

2.5 From time to time Ulster Bank Ireland Limited may change the way in which we use your information.

Where Ulster Bank Ireland Limited believes you may not reasonably expect the change we shall notify you.

2.6 If you would like a copy of the information we hold about you, please write to: Ulster Bank Ireland Limited, Capital Markets, 3rd Floor Ulster Bank Group Centre, Georges Quay, Dublin 2. A fee may be payable.

### 3 Credit reference and fraud prevention agencies

We may make periodic searches of and provide information (including how you manage your account and any arrears) to, credit reference agencies, fraud prevention agencies and the Group to manage and take decisions about your account. Such information may be used by other credit providers to take decisions about you and your financial associates. We can provide the names and addresses of the agencies we use if you would like a copy of your information held by them. Please contact us on 01 709 2099. The agencies may charge a fee.

### Deposit Protection 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. The maximum amount you can get under the scheme is €100,000 for each bank, building society or credit union regulated by the Financial Regulator.

### Investor Compensation Scheme

The Investor Compensation Act, 1998 provides for the establishment of a compensation scheme and the payment, in certain circumstances of compensation to certain clients (known as eligible investors\*) of the Bank. Protection under the scheme is limited to deposits held by one depositor subject to a maximum compensation payment of €20,000.

\*A person is an eligible investor if he/she is a client of an investment firm that has failed and has made an application for payment under Section 34 of the Investor Compensation Act, 1998.

### Complaints Procedure

Bespoke aims to provide the highest quality of customer service at all times. If you have any complaint, please contact Bespoke Investments Limited, 20 Laurence Street, Drogheda, Co. Louth. 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)



# NOTES

# APPLICATION FORM



**BESPOKE**  
Investments Limited

Please complete in block capitals and return along with your cheque/draft made payable to Ulster Bank Ireland Limited. Prior to any transaction being entered into, a completed Application Form, together with the relevant documentation as specified in 'Terms and Conditions' must be received.

I/We hereby apply for The Bespoke Secure Absolute Return Bond Series II in the name(s) of:

Primary Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number (Home): \_\_\_\_\_ Mobile Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

PPS/Tax Reference Number (evidence required): \_\_\_\_\_

Secondary Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number (Home): \_\_\_\_\_ Mobile Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

PPS/Tax Reference Number (evidence required): \_\_\_\_\_

\*In accordance with Irish Revenue Commissioners requirements, we are obliged to ask every person opening an account to provide their current PPS/TRN number and to supply documentation verifying same.

I/We wish to invest: € \_\_\_\_\_ in the Bespoke Secure Absolute Return Bond Series II - Protected Option (€25,000 Minimum).

€ \_\_\_\_\_ in the Bespoke Secure Absolute Return Bond Series II - Growth Option (€25,000 Minimum).

If your investment is being made together with another person you acknowledge that the investment will be a joint investment between the persons named herein.

Please tick the appropriate box: Personal Investment  Pension Fund  Company Account  Other  Please specify: \_\_\_\_\_

I/We qualify for the following taxation classification:

Please tick the appropriate box: DIRT  Other\*

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

Execution Only: I/We acknowledge that I/we have requested information on The Bespoke Secure Absolute Return Bond Series II and confirm that I/we do not wish to provide information in respect of my/our financial history and investment objectives to determine the suitability of this investment for my/our purposes but wish to proceed with the purchase of the Bond on an execution only basis. I/We acknowledge that investments may fall as well as rise in value and that I/we have not received any advice from a regulated financial entity with respect to the Bond.

Primary Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Secondary Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Declaration: I/We declare that (i) 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 this brochure. 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 06 April 2010.

I/We hereby request and authorize you: (a) to open and administer an account for me/us with Ulster Bank Ireland Limited and (b) to give effect to any written request, direction or instruction relating to the account on the signature(s) of me/us in accordance with the Terms and Conditions.

By signing this application I am/we are agreeing that Ulster Bank Ireland Limited may use my/our information in the way described in this form and in the associated Terms and Conditions. Ulster Bank Ireland Ltd may obtain information about me/us from credit reference agencies and Group records to check my/our credit status and identity. I/We understand that the agencies will record enquiries which may be seen by other companies who make their own credit enquiries. Ulster Bank Ireland Limited may use credit scoring.

Primary Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Secondary Signature: \_\_\_\_\_ Date: \_\_\_\_\_





Bespoke Investments Ltd, 20 Laurence Street, Drogheda, Co. Louth

Tel: 041 989 8200

Fax: 042 935 7487

Web: [www.bespokeinvestments.ie](http://www.bespokeinvestments.ie)

Bespoke Investments Ltd. is regulated by the Financial Regulator.