



Allied Irish Banks 12.5% Fixed Rate

Harbour Investment Partners

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At Harbour Investment Partners,
we are committed to providing
highly personalised private
wealth management and client
experiences that meet and
exceed your exacting standards.



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We encourage you to take your time reviewing this information.

Should you have any questions or need further clarification, please do not hesitate to reach out. Our team is here to assist and ensure you feel confident in every step of your investment journey.

Unlock Steady Growth with the Allied Irish Banks 12.5% Fixed Rate Bond

The Allied Irish Banks 12.5% Fixed Rate Bond presents a compelling high-yield investment opportunity from one of Ireland's leading financial institutions. Ideal for investors seeking consistent income, this bond pairs attractive fixed interest rates with the stability and trustworthiness of Allied Irish Banks, offering confidence in a well-established financial partner.

Supported by one of Ireland's leading banks with a robust presence across multiple financial sectors, this fixed-income security offers competitive, inflation-resistant yields from a prominent institution within the core of Ireland's financial industry.



Allied Irish Banks Building

Bond Information

Coupon Percentage: 12.5%

Moody's Rating: A1

Maturity Date: 25/06/2035

Investment Class: High Grade

Coupon Currency: GBP

Bond Size: 78,680,000

Sector: Corporate Banking & Insurance

Minimum Investment: \$50,000

ISIN: XS0435957682

Additional Information

The Allied Irish Banks Fixed Rate Bond offers investors a guaranteed 12.5% annual interest rate, setting a high standard for savings products. Whether held for one year or ten, the interest rate remains locked, providing stability and predictability.

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Key Takeaways – Fixed income of 12.5% per year, with your full capital to be repaid at the end of your chosen term.
Dividend paid annually.



For those seeking protection against inflation and rising interest rates, this bond offers above-average returns with no risk of missed interest payments or principal redemption.

Upon sale, investors will receive their full initial investment along with any accrued interest. Suitable for short-, medium-, or long-term holding, this bond is a versatile choice for a wide range of investment portfolios.



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Why Fixed Rate Bonds?

There are not many low risk savings and investment products on the market that can match the returns, safety and security of fixed rate corporate bonds.



01.

Historically, these highly efficient investment and savings products were exclusively available to institutional investors, often placing them beyond reach for individual investors. However, recent market innovations have opened up access to the global corporate bond market, enabling individual investors to benefit from this secure, high-yield asset class.

02.

Fixed rate bonds are among the safest and most profitable asset classes in the fixed income market. They provide above-average returns with full capital protection. When combined with the Governments Compensation Scheme Of Last Resorts (CSLR), which safeguards investors and savers, it's clear why fixed rate corporate bonds are a preferred asset class for investors worldwide.



Different Strategies

Investors often adopt various strategies when purchasing corporate bonds. While many choose a buy-and-hold approach until maturity, enjoying a stable, guaranteed return without the stress of capital depreciation, others actively trade bonds, buying and selling based on market conditions. For those seeking a straightforward, secure rate of return, the buy-and-hold strategy is ideal.

Access to Funds

Fixed rate bonds are intended to be held until maturity, and investors are advised to only deposit funds they can comfortably set aside for at least 12 months. However, an early withdrawal option exists for emergencies, allowing partial or full access to your funds if necessary. Please note that early withdrawals incur a penalty of 30 days' accrued interest.

Banks as a Safe Haven: A Changing Landscape

Traditionally, bank savings accounts were considered one of the safest places for capital preservation. However, today's low interest rates and high inflation mean that bank savings may actually lose value over time. Term Deposit Accounts are another popular option but often come with restrictive lock-in periods and significant penalties for early withdrawal, making them a less flexible choice for many investors.

What Are Corporate Bonds?

Corporate bonds represent a type of debt security issued by established domestic or international companies, enabling investors to lend their capital in exchange for reliable income and financial security. When you invest in a corporate bond, you are essentially entering into a contractual agreement in which the corporation agrees to repay your principal investment along with periodic interest payments, known as the coupon rate, throughout the bond's term.



How we make our money?

Harbour Investment Partners generates revenue through two primary channels: the Over-The-Counter (OTC) market, where it engages in high-volume bond purchases and sales, and the ASX-listed bond market, also known as the secondary market. The company profits from the difference between bid and offer prices, a practice commonly referred to in the industry as “earning the spread” (ETS). These ETS earnings are factored into the bond price offered to clients, with earnings potentially varying from one bond to another. We encourage you to consult with your adviser to understand the specific earnings included in your bond purchase.

Fees

In addition to earnings derived from the spread, as previously mentioned, Harbour Investment Partners applies a standard gross profit administration fee of 0.15% on both purchases and sales. This transparent fee structure ensures there are no management fees, ongoing administration charges, or end-of-term costs, enabling you to maximise your investment returns without hidden expenses.

How Safe Are Corporate Bonds?

Corporate Bonds are second only to cash when it comes to low risk. Thanks to the fixed rate element of corporate bonds, you can plan an efficient income strategy. In addition the issuer of a bond is legally obliged to return your capital in full at the end of your bonds term and the coupon rate associated with your bond is also legally binding.

Is There An Early Withdrawal Fee?

Should you need to sell part of or all of your bond you are able to do so, there is however a thirty-day income accumulated early withdrawal fee and this is debited from the redemption amount paid to you from income accrued during your holding period.

How Long Is My Money Tied Up?

When you purchase bonds through Harbour Investment Partners, you do so at face value, and you also have the option to sell them at face value. You may sell your bonds directly through us to another market participant, and if this is not feasible within thirty business days, our Guaranteed Buy-Back Scheme ensures we will repurchase your bonds at face value.

Upon reaching the maturity of your bond's term, Harbour Investment Partners completes the return of your initial investment, along with any accrued interest. This structured approach provides both liquidity and peace of mind, ensuring a smooth and secure exit strategy for your investment.



HOW IT WORKS?



Mr. Jones buys a bond with \$100,000.00 of savings funds. The bond pays a guaranteed fixed annual income of 12.5% per annum. Mr. Jones holds this bond for the first year and receives \$12,500.00 by way of income. Mr. Jones then decides to sell his bond three months later and receives his accrued income for the two months of the second year, but forgoes his third monthly interest payment as an early redemption fee. So, when Mr. Jones sells his bond, he will receive back in total, after holding the bond for fifteen months, his original capital investment of \$100,000.00 plus fourteen months of interest at 12.5%.

WHAT IS THE MINIMUM PURCHASE ENTRY LEVEL?

Historically, corporate bonds were accessible only to corporate and institutional investors, with minimum investment tranches set at \$500,000 AUD. This high entry threshold restricted access to large-scale investors, leaving smaller, retail investors without the opportunity to participate in this stable asset class.

However, the financial landscape has evolved significantly, and today, retail investors can access corporate bonds with minimum investments starting from as low as \$50,000 AUD, although specific requirements may vary between bonds.

This shift has democratised the corporate bond market, providing access to individual investors seeking a secure and dependable income source once reserved for professional market participants. The exclusivity of the corporate bond market has now receded into history, replaced by a more inclusive environment where investors of various financial capacities can participate. This evolution has created a more balanced investment landscape, allowing both experienced and emerging investors to benefit from the stability and fixed returns that corporate bonds offer, regardless of their financial standing.

HOW TO BUY CORPORATE BONDS

Harbour Investment Partners uses the banking industry-standard Delivery Versus Payment (DVP) method, a secure and reliable mechanism for transferring settlement funds. This DVP system ensures a seamless and safeguarded transfer of your bond(s), as delivery occurs instantly through a direct bank-to-bank transaction. This approach minimises risk, providing a watertight method for finalising your bond purchases. Acquiring corporate bonds with Harbour Investment Partners is as straightforward as one, two, three.

STEP ONE: Discuss your fixed income investment goals with your account manager to determine the optimal rates and terms available to you.		25%
STEP TWO: Choose the bond you wish to purchase, taking careful note of the advertised return percentages. Decide on the bond term and investment amount. Your account manager will reserve the bond in your name and send an investment proposal directly to your inbox.		50%
STEP THREE: Complete the online application form by following the link provided by the Application Assessment Department. Prior to this have ready your TFN number and your personal identification documents. Upload the required identification documents, such as a passport and utility bill, for AML (Anti-Money Laundering) and KYC (Know Your Customer) compliance. Within 24 to 48 hours, your account application will be approved, and you'll receive confirmation via email, including your username and unique password, allowing you to proceed with your bond purchase.		75%
FINAL STEP: Your bond will be purchased on your behalf using the secure Delivery Versus Payment (DVP) method. Settlement instructions for your bond purchase will be emailed directly to your inbox, ensuring a streamlined and secure transaction process.		100%



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Disclaimer:

This material contains general information designed to assist you in understanding our services and investment offerings. While it has been prepared with care and in good faith, Harbour Investment Partners accepts no liability for any errors or omissions that may occur within this document.

Please be aware that past performance is not necessarily indicative of future results. Investments like private equity (IPOS's) and global stock shares and securities carry inherent risks, including the loss of capital. If you are unsure of the products that fit your personal circumstances and financial goals, talk to your designated contact at our company for more accurate guidance.

Company Information:

Harbour Investment Partners
Australian Business Number (ABN): 66 149 511 919
Australian Financial Services Licence (AFSL): 403005