

The Deposit
+ Diversified
Alpha Bond



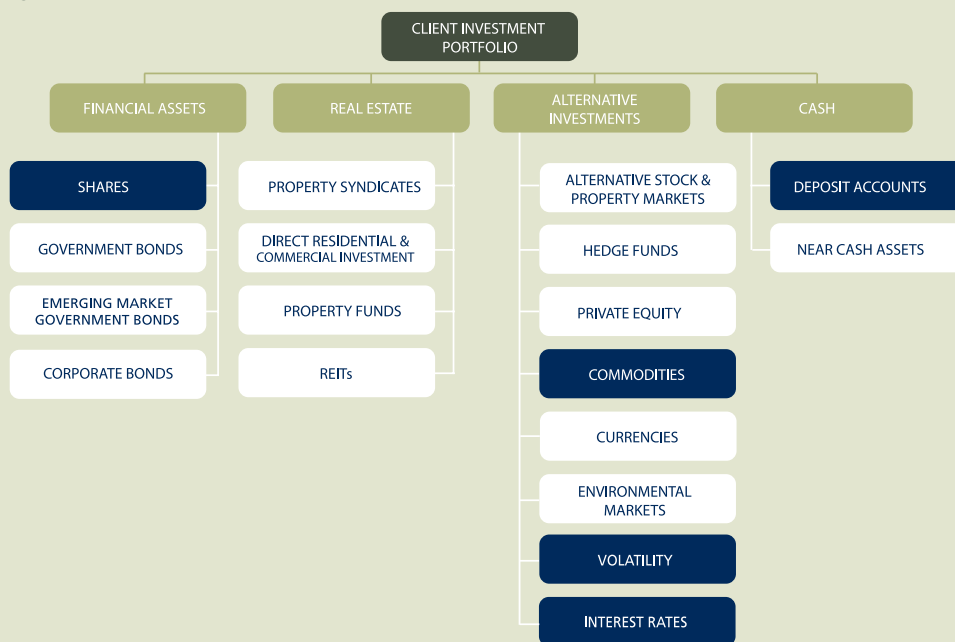
1. Introduction

Duggan Asset Management

Duggan Asset Management (DAM) designs innovative investment strategies that are developed to assist private investors and their advisors in building efficient and balanced investment portfolios.

By utilising international investment best practice, DAM creates well researched and compelling investment strategies and techniques that compliment one another in the construction of diverse investment portfolios. DAM assists private clients and their advisors in building investment portfolios that have the potential to meet each client's individual investment objectives and equally importantly, to exhibit the appropriate level of investment risk in preserving and growing private client wealth.

DAM structures investment portfolios that are diversified across numerous asset classes, geographic regions and industry sectors. DAM's primary focus is on Portfolio Asset Allocation and thereafter, the selection of leading international specialist investment managers to perform Stock Selection in their specific area of expertise. DAM's current House Asset Allocation Investment Policy recommends investment portfolios invested in appropriate proportions as follows:



Asset Allocation

Asset Allocation, or the proportion of an investment portfolio invested in each asset class, is the single largest contributor to investment performance and risk management within investment portfolios.

Investment Philosophies & Core Investment Principles

DAM's Investment Philosophies and Core Investment Principles are described in the table below:

Investment Philosophies	Investment Principles
Primary Focus on Asset Allocation	Real Balance & Diversification
Target Absolute Returns	Reduce Individual Manager Risk
Wealth Preservation	Reduce Market Correlation
Conservatism	Access Specialist Managers
	Measurability
International Best Practice	Efficient Risk Adjusted Returns

Alternative Investment Strategies & Alternative Asset Classes

Alternative Investment Strategies and Alternative Asset Classes can provide greater diversification and bring greater balance to well structured investment portfolios. Alternative Asset Classes are not necessarily correlated to stock markets and can even be uncorrelated from the economic and financial market cycle. This lack of correlation means that Alternative Investment Strategies and Alternative Asset Classes do not necessarily move up and down in tandem with the momentum of the stock & property markets or even the general economic environment. Therefore, Alternative Investment Strategies and Alternative Asset Classes have the potential to rise when stock & property markets are falling or when economies are weak and vice versa.

Including Alternative Investment Strategies and or Alternative Asset Classes in an investment portfolio has the potential to (1) accelerate the investment returns achieved by the portfolio (2) reduce volatility and risk within the portfolio or (3) provide some combination of accelerated returns and lower risk.

Adding Alternative Investment Strategies and/or Alternative Asset Classes to an already well diversified investment portfolio has the potential to deliver even more efficient risk adjusted, long term investment returns.

2. Executive Summary

- The Deposit + Diversified Alpha Bond (the Bond) is an **innovative Investment Strategy** designed for **private investors** who wish to invest in a **high interest bearing deposit account and a low risk, Absolute Investment Return strategy** that potentially offers investment returns above deposit interest rates. The Bond is suitable as a stand alone investment or as part of the process of constructing a genuinely diversified investment portfolio.
- **The Investment Rationale:** The investment rationale can be summarised as:
 1. Enhanced Deposit Rate
 2. Attractive Track Record
 3. Absolute Return Focus
 4. Investment Portfolio Diversification
- **The Deposit Element:** 30% of the Bond will be placed in a 1 Year Fixed Rate Deposit paying 7.5% gross/CAR.
- **The Investment Element:** 70% of the Bond is invested in the Underlying Investment Strategy.
- The **Underlying Investment Strategy** of the Bond is the **Societe Generale SGI Diversified Alpha 2 Index** (Bloomberg: SGIXDVE2 Index). This Absolute Return index has been chosen following our detailed research of the Low Risk, Multi Asset Absolute Return investment strategies available to investors across the international market. The strategy has the potential to provide absolute investment returns in all market conditions and has exhibited an attractive track record to date.
- The Societe Generale SGI Diversified Alpha 2 Index is invested in a basket of sub-indices invested the following assets:
 1. Equities
 2. Volatility
 3. Commodities
 4. Interest Rates
- The Bond is **100% Capital Protected** by **Ulster Bank Ireland Limited** at the relevant Maturity Dates. Ulster Bank Ireland Limited is regulated by the Central Bank of Ireland.
- Investors in the Bond will receive **100% Participation** in the growth of the underlying investment strategy of the Investment Element at the end of the term.
- The Bond has a fixed **3 Years, 11 Month term**. Although provision has been made for investors to access their monies invested before the end of this 3 Year, 11 Months term, this investment should only be considered by investors who are content to adopt a 3 Years, 11 month term for this investment.
- Averaging: The closing level of the Investment Element of the Bond will be based on **the average monthly value of the underlying index over the final 12 months of the term** (13 observations).
- The **Minimum Investment** is **€25,000**.
- The **Closing Date** for applications is **31 August 2011**.
- The base currency of the Bond and of the Underlying Investment Strategy 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 in a password protected area of Duggan Asset Management's website (www.dam.ie).
- The Bond is **exclusive to a small number of Authorised Investment Advisor firms** associated with Duggan Asset Management.
- 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.

3. Description of the Bond

The Bond has two parts as described in the table below:

The Deposit Element	The Investment Element
30% of the Bond will be placed in a 1 Year Fixed Rate Deposit paying 7.5% gross CAR.	70% of the Bond will be invested in the Underlying Investment Strategy of the Investment Element. The Underlying Investment Strategy is the Societe Generale SGI Diversified Alpha 2 Index.

3.1 The Investment Rationale

The investment rationale for investing in the Bond can be summarised as follows:

- Enhanced Deposit Rate:** 30% of the Bond will be placed in a 1 Year Fixed Rate Deposit paying 7.5% gross CAR.
- Track Record:** The Underlying Investment Strategy of the Investment Element has an attractive Simulated Past Investment Performance & Past Simulated Risk Management track record.
- Absolute Return:** The Underlying Investment Strategy of the Investment Element has an absolute return focus. It aims to deliver absolute performance while moderating volatility regardless of market direction.
- Investment Portfolio Diversification:** The Underlying Investment Strategy of the Investment Element contains 4 Asset Classes (Equities, Volatility, Commodities and Interest Rates) that are not necessarily correlated with each other. Combining Alternative Investment Strategies and Alternative Asset Classes like Commodities, Volatility and Interest Rates with Traditional Asset Classes like Equities can provide greater diversification and bring greater balance to well structured investment portfolios.

3.2 The Underlying Investment Strategy – Societe Generale SGI Diversified Alpha 2 Index

The Societe Generale SGI Diversified Alpha 2 Index (the Index) is a Low Risk, Excess Return Index. The Index has a Systematic and Dynamic Volatility Target Mechanism which targets annualised volatility of 3%. The Index is diversified across 4 Asset Classes (equities, volatility, commodities and interest rates) and has an Absolute Return Investment Style. The Index aims to deliver a stable performance with limited correlation to Traditional Asset Classes e.g. equities, bonds, property etc. This means that the Index will not necessarily move up and down in tandem with the direction of the financial markets.

Where is the Underlying Investment Strategy invested?

The Index is Systematic Index providing a diversified exposure to various leading sub indices within Societe Generale’s range of proprietary indices. The composition of the underlying sub indices of the SGI Diversified Alpha 2 Index were designed to extract investment performance (or alpha) from a wide scope of asset Classes as follows:

The SGI Diversified Alpha 2 Index at inception is an equally weighted basket of the following sub indices at inception:

Equities	THE SGI Emerald Statistical Arbitrage Index (SGIXEM6) is an index based on an equal-weighted combination of 10 proven strategies from the SG Proprietary Trading department. The Index takes advantage of market inefficiencies, resulting in absolute returns. A systematic volatility target mechanism may allow a leverage (up to 150%) when volatility is close to or below 6%.
Equity Volatility	The SGI Vol Premium Dynamic 2 Index (SGIXVPD2) is a systematic and investable index, capturing the spread between the implied volatility (based on the VIX Index) and the realised volatility on the S&P 500 by rolling short or long positions on variance swaps.
Commodities	The SGI Smart Market Neutral Commodity Index (SGICVMX) is a systematic index aiming at absolute returns by taking non-directional exposures in 3 main commodity sectors: energy, industrial metals and agriculture. The index is equally exposed to a roll-optimised long position and a roll-static short position in each commodity market. It is rebalanced every 6 months to reset market neutrality and includes a volatility target mechanism.
Interest Rates (1)	The SGI Bond Optimised Sharpe Strategy (“BOSS”) Index (SGIXBHE3) is a systematic index reflecting the evolution of an international optimised bond strategy in EUR. SGI BOSS implements a long/short allocation between short and long term bond indices as well as a multicurrency allocation among 5 liquid currencies to optimise the global risk/return with a natural hedge against FX risks: at each allocation date, the net exposure on each currency is nil.
Interest Rates (2)	The SGI Future Interest Rate Momentum EUR 2 (“FIRM EUR 2”) Index (SGIXFMEU) is a strategy index capturing trends in short-term interest rates moves. Based on a momentum strategy which takes long or short positions on a single underlying (the Euribor 3M Future), the index includes a volatility target mechanism to provide a balanced risk/return profile for the momentum strategy while keeping volatility close to 3%.

Source: Societe Generale (June 2011)

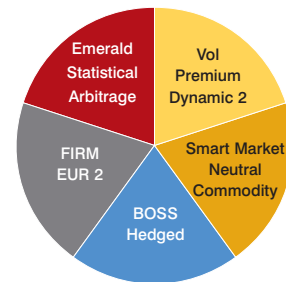
Volatility Target Mechanism

Mechanism

1

Index Composition

The index is based on an **equal-weighted underlying basket of SGI alpha indices** rebalanced twice a year, and is computed on a daily basis by Standard & Poor's.



2

A systematic 3% volatility target mechanism

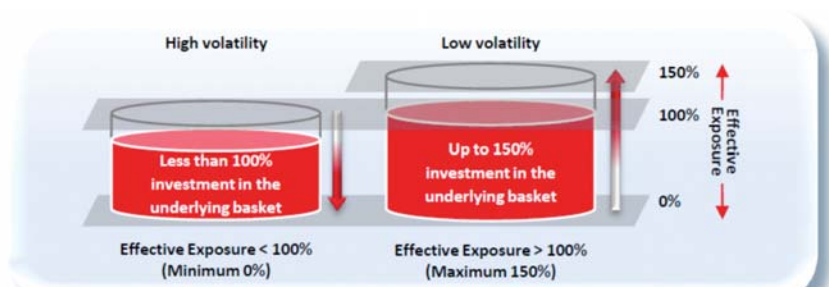
The exposure of the SGI DIVA 2 to the underlying basket is determined according to a systematic process using volatility* as a measure of risk: in general when the volatility of the underlying basket increase, the exposure of the SGI DIVA 2 to the underlying basket decreases, and vice-versa.

*Volatility: the volatility measure is one of the most widely used measures of risk.

Focus on the dynamic exposure target Mechanism

On every calculation day, the Calculation Agent determines the **Effective Exposure** of the SGI DIVA 2 to the underlying basket (expressed in percentage) by first computing the **Theoretical Exposure** to which an adjustment factor is applied.

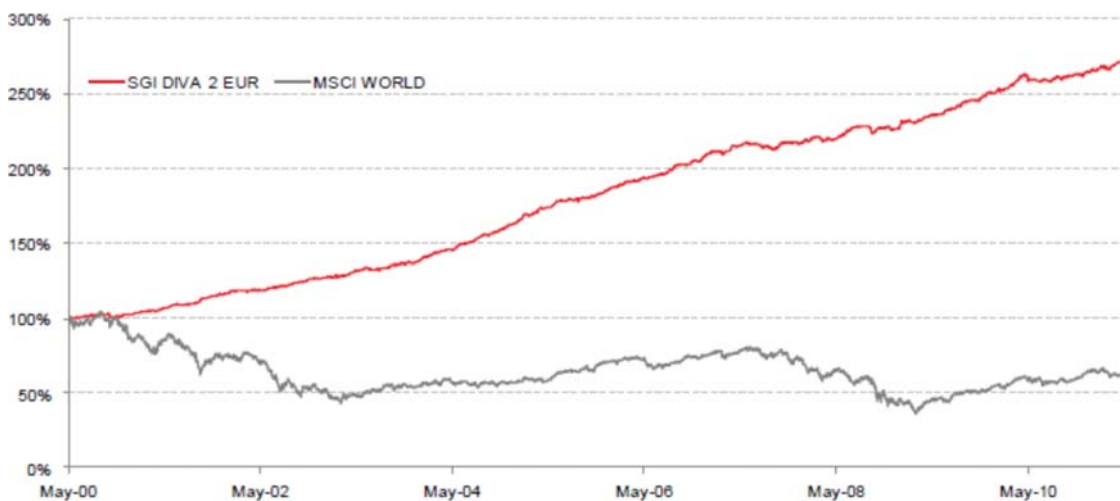
The Theoretical Exposure is computed as the ratio between the **Target Volatility of 3%** and the realised volatility of the underlying basket computed over the last **20 calculation days**. This Theoretical Exposure is then adjusted by an **adjustment factor**, comprised between 0.8 and 1.2, so that the realised volatility of the SGI DIVA 2 (computed over the last 20 calculation days) is close to the Target Volatility of 3%. The obtained Effective Exposure is **comprised between 0% and 150%**.



Source: Societe Generale (June 2011)

Simulated Past Performance & Risk Statistics

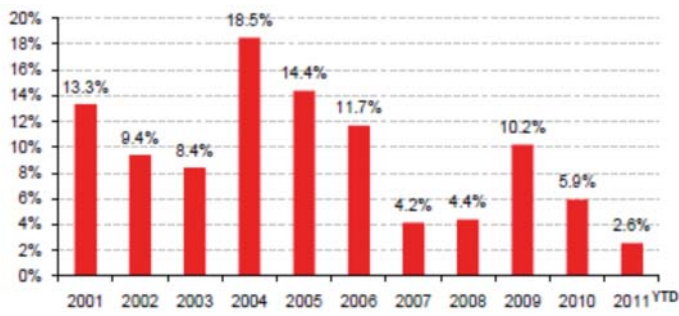
The Index went live on 1 April 2011. In simulations carried out by Societe Generale, the Index would have produced an annualised return of 9.8% with annualised volatility of 2.6% since May 2000. The chart below compares the simulated performance of the Societe Generale SGI Diversified Alpha 2 Index (Red) versus the MSCI World Index EUR of shares (Grey) from 8 May 2000 to 31 May 2011:



Source: Societe Generale (June 2011).

Data from 8 May 2002 to 31 March 2011 is simulated. Data from 1 April 2011 to 31 May 2011 is live.

Year by Year Simulated Performance



Simulated Performance Statistics

	SGI DIVA 2
Annualized Return	9.8%
Annualized Volatility	2.6%
Max Drawdown	-2.4%
Sharpe Ratio	3.7
Worst Monthly Return	-1.7%
Best Monthly Return	2.9%
Average Monthly Return	0.8%
% of Positive Months	84.2%

Source: Societe Generale (June 2011).

Data from 8 May 2002 to 31 March 2011 is simulated. Data from 1 April 2011 to 31 May 2011 is live.

Warning: The Past Performance figures that are 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.

Warning: The Past Volatility figures that are Simulated Volatility figures are estimates only. They are not a reliable guide to the future volatility of this investment.

Warning: Past Volatility is not a reliable guide to future volatility



3.3 How the Investment Returns are calculated

There are two elements to the Bond, the Deposit Element and the Investment Element. The table below illustrates how the return is calculated on a sample investment of €100,000:

The Deposit Element

30% of the Bond will be placed in a 1 Year Fixed Rate Deposit paying 7% gross/CAR as follows:

Deposit Term	Amount on Deposit	Guaranteed Interest Rate	Gross Interest	DIRT @ 27%	Net Interest	Timing of Payment	Amount Paid Out
Year 1	€30,000	7.50%	€2,250.00	€607.00	€1,642.50	End of Year 1	€31,642.50
Total	€30,000		€2,250.00	€607.00	€1,642.50		€31,642.50

The Investment Element

70% of the initial capital is invested in the Underlying Investment Strategy. At maturity, investors will receive back 100% of the 70% of their initial capital invested in the Investment Element, 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 in 4 different investment return conditions:

Description	Example 1: Positive Return	Example 2: Positive Return	Example 3: Neutral Return	Example 4: Negative Return
Initial Amount Invested	€70,000.00	€70,000.00	€70,000.00	€70,000.00
Projected Increase in Underlying Index	10.00%	44.25%	0.00%	-10.00%
Participation Rate	100%	100%	100%	100%
Projected Investment Return	€7,000.00	€30,975.00	€0.00	€0.00
Return of Capital Protected Amount	€70,000.00	€70,000.00	€70,000.00	€70,000.00
Projected Value before DIRT	€77,000.00	€100,975.00	€70,000.00	€70,000.00
Compound Annual Return before DIRT	2.46%	9.80%	0.00%	0.00%
Projected DIRT @30% Withheld	-€2,100.00	-€9,292.50	€0.00	€0.00
Projected Net Return	€74,900.00	€91,682.50	€70,000.00	€70,000.00
Compound Annual Return after DIRT	1.74%	7.13%	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.

Warning: If you cash in your investment before 7 August 2011 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.

4. Key Features

How does the Bond work?

1. The Parties Involved in the Bond are as follows:

The Product Producer is:	The Deposit Taker is:
Duggan Asset Management	Ulster Bank Ireland Limited (The Bank)
Suite 170 Ivy Exchange	Ulster Bank Group Centre
Granby Place	George's Quay
Dublin 1	Dublin 2

2. Brief Description of the Benefits of the Bond:

The Bond has the following benefits:

The Deposit Element: 30% of the Bond will be placed in a 1 Year Fixed Rate Deposit paying 7.5% gross CAR on the balance outstanding.

The Investment Element: 70% of the Bond is invested in the Underlying Investment Strategy. Investors will participate in 100% of the performance of the Underlying Investment Strategy.

Capital Protection: 100% of the initial amount invested in the Deposit Element and the Investment Element is protected on the relevant Maturity Dates of the Bond.

Term: 3 Years, 11 Months. The maturity dates are as follows:

The Deposit Element: 7 September 2012.

The Investment Element: 7 August 2015.

Underlying Investment Strategy of the Investment Element: Societe Generale SGI Diversified Alpha 2 Index.

Initial Level: The Initial Level of the Investment Strategy is the level of the index on the Start Date of 7 September 2011. The Initial Level will be provided in the Confirmation Letter sent to each investor.

3. Closing Date:

The closing date for applications is 31 August 2011.

4. Fees & Charges

Duggan Asset Management will receive a commission in relation to its arrangement of the Bond. This commission will be dependent on the total amount invested and on prevailing market conditions on the investment date of 7 September 2011. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 5 July 2011, the indicative commission payable to Duggan Asset Management will be 1.81% of the total amount invested.

The Financial Advisors distributing the 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 7 September 2011. Assuming that the minimum subscription amount is raised and based on financial market conditions as at 5 July 2011, the indicative commission payable to the Distributor of the Bond is 3.25% of the total amount invested.

5. Minimum Investment:

The minimum investment amount is €25,000.

6. Eligible Investors:

The 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. Dividends:

Neither the Bond nor the Bank benefit from any investment income or dividends that may be payable by the underlying assets in the Underlying Index. The Bond is suitable only as a capital growth investment.

8. Currency Risk:

Although the individual indices that constitute the Underlying Index may have a currency denomination other than the Euro, the Index is Euro denominated and investors are not exposed to any change in the value of these currencies against the Euro, the base currency of the investment.

9. Capital Protection:

100% of the initial amount invested in the Deposit Element and the Investment Element is protected on the maturity date of the investment at the end of the 1 Year or 3 Year, 11 Month term by Ulster Bank Ireland Limited.

10. Averaging:

The Bond has monthly averaging in the final 12 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 12 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 12 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 12 months if the investment returns are negative at the end of the term

Return after 2 years, 11 months	%
	+50.00
Monthly Returns in final 12 months	
07 August 2014	-1.00
08 September 2014	-0.25
07 October 2014	-1.00
07 November 2004	-0.01
08 December 2014	-0.40
07 January 2015	-1.20
09 February 2015	-1.14
09 March 2015	-1.00
07 April 2015	-0.10
07 May 2015	-0.40
08 June 2015	-1.40
07 July 2015	-2.00
04 August 2015	-0.10
Return in final 12 months with averaging	-4.98
Return in final 12 months without averaging	-10.00
Return at end of the term with averaging	+45.02
Return at end of the term without averaging	+40.00

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 12 months if the investment returns are positive at the end of the term

Return after 2 years, 11 months	%
	+50.00
Monthly Returns in final 12 months	
07 August 2014	+1.00
08 September 2014	+0.25
07 October 2014	+1.00
07 November 2004	+0.01
08 December 2014	+0.40
07 January 2015	+1.20
09 February 2015	+1.14
09 March 2015	+1.00
07 April 2015	+0.10
07 May 2015	+0.40
08 June 2015	+1.40
07 July 2015	+2.00
04 August 2015	+0.10
Return in final 12 months with averaging	+4.98
Return in final 12 months without averaging	+10.00
Return at end of the term with averaging	+54.98
Return at end of the term without averaging	+60.00

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 7 September 2011, as follows:

€60,980 or 60.98% will be used to secure the promised payment of €70,000 payable after 3 Years, 11 Months. This is equivalent to a promised return on this part of the investment of 3.58% Compound Annual Rate (CAR) before tax is deducted (if applicable).

If the cash bonus on 70% of your Investment after 3 years, 11 months is zero, the promised payment will represent a return of 0% CAR on 70% of your total investment over the period to the date of the promised payment, before any tax is deducted.

€30,000 or 30% will be used to secure the promised payment of €32,250 (gross) payable after 1 Year. This is equivalent to a promised return on this part of your investment of 7.5% gross CAR fixed before tax is deducted (if applicable) plus your initial 30% investment in the fixed rate deposit. This is equivalent to a promised return on this part of the investment of 7.5% CAR before tax is deducted (if applicable).

€3,960 or 3.96% will be used to secure the cash bonus which may be payable after 3 Years, 11 Months.

€5,060 or 5.06% will be taken in charges. Intermediaries will receive 3.25% from these charges.

Total €100,000 or 100%.

*CAR is the Compound Annual Rate and illustrates what the interest rate would be if paid and compounded each year. Gross is the interest rate paid before the deduction of tax. Any interest that is payable to you from your deposit subject to the terms of the Investment will be done so after the deduction of relevant tax.

Do I have access to my investment?

The Bond has been designed as a long 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 applies only on the maturity date at the end of the 3 Year, 11 Month term.

Term: 3 Years, 11 Months. The maturity dates are as follows:

The Deposit Element: 7 September 2012.

The Investment Element: 7 August 2015.

Warning: The 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 7 August 2015 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 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 Capital Protected amount.

Warning: If you cash in your investment before 7 August 2015 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. Under current legislation, the effective DIRT rate on the Investment Element of the Bond is 30%. This is subject to change without notice.
- Under current legislation interest on the Deposit Element of the Bond is subject to DIRT, currently 27%, where applicable at the time of maturity.
- 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 are likely to 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 Universal Service Charge (USC) in your hands in the year in which the investment matures. This may change as the details of the December 2010 budget are implemented.
- The investment return may also be subject to PRSI in your hands in the tax year in which the Bond matures subject to individual investor circumstances.

Warning: The above information represents our understanding of the taxation treatment of the 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.

5. Risk & Wealth Warnings

Counterparty Risk

Warning: If either Ulster Bank Ireland Limited or Societe Generale is not in a position to perform its role in the 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: The value of your investment may go down as well as up.

Warning: If you cash in your investment before 7 August 2015 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.

Volatility

Warning: The assets within the Underlying Investment Strategy can be volatile.

Investment Term

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

Warning: The 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 7 August 2015 you may lose some or all of the money you put in.

6. 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 e.g. 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

'**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 Central Bank of Ireland.

'**Bank**' means Ulster Bank Ireland Limited. A private company limited by shares, trading as Ulster Bank, Ulster Bank Group and Banc Uladh. Registered in the Republic of Ireland No. 25766. Registered Office: Ulster Bank Group Centre, George's Quay, Dublin 2. Ulster Bank Ireland Limited is a member of the Royal Bank of Scotland Group and is regulated by the Central Bank of Ireland.

'**Bond**' means the Deposit + Diversified Alpha Bond.

'**Account**' means a fixed term deposit account in your name opened by the Bank for the purposes of Condition 4 below.

'**Deposit Element**' means the 1 Year Fixed Rate Deposit as described in 5(a) below.

'**Investment Element**' means the 3 Year, 11 Month deposit as described in 5(b) below.

'**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 Investment Element or 100% of the Deposit Element as the case may be.

'**Investment Return**' shall mean the investment return payable in addition to the Capital Protected Amount in respect of the Investment Element in accordance with Clause 5.

'**Term**' means the period from and including the Start Date to the Maturity Date, for either the Deposit Element or the Investment Element as the case may be.

'**Underlying Index**' means the Societe Generale SGI Diversified Alpha 2 Index (Bloomberg: SGIXDVE2 Index)

'**Start Date**' means 7 September 2011.

'**Maturity Date**' means 7 September 2012 in relation to the Deposit Element and 7 August 2015 in relation to the Investment Element.

'**Closing Date**' means 31 August 2011.

'**The Counterparty**' means Societe Generale.

'**Deposit Amount**' means the amount invested by you in the Bond.

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 31 August 2011 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 7 September 2011.

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

Both the Deposit Element and the Investment Element of your investment are 100% capital protected at the relevant Maturity Date. DAM will place your investment in the Account 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) 30% of your Investment will be placed in the Deposit Element and will pay Interest of 7.5% gross/CAR within 5 working days of the maturity date on 7 September 2012.

(b) 70% of your Investment will be placed in the Investment Element of the Bond. The potential Investment return payable on the Investment Element will be determined on the Maturity Date of the Bond. The investment return payable on the maturity in respect of the Investment Element of Bond 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 in the Investment Element.

(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 on the 7th day of each month, from and including 7 August 2014 to 4 August 2015 (i.e. 13 observations in total) provided that if the date on which the observation is to be made hereunder is not a trading day for the index, the averaging date will be the next following trading day for the index unless such a day should fall in the next calendar month, in which case it will be the first preceding day that is a trading 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 the Investment Element of your investment is 100% capital protected by the Bank, 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 Societe Generale (the "Counterparty") before the Start Date. Any investment return 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 unexpected 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 banks are open for business in London and Dublin, unless otherwise stated, the next following day on which they are open will be used in its place.

(f) The investment return earned on the Bond will be dependant on fluctuations in financial markets that are outside 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 Underlying Index 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 DAM or 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 on the Investment Element, if any, paid to investors who are Irish resident at maturity will be subject to Deposit Interest Retention Tax of 30%, being the standard rate of Deposit Interest Retention Tax (27%) plus 3%. These tax deductions will apply at the maturity of the investment and will be made at source by the Bank. Under current legislation, any Interest earned on the Deposit Element component of the Bond will be taxed at a rate of 27%. Tax liability and other matters referred to are as applicable under current legislation, which may change, and their applicability will depend on investors individual circumstances.

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 within five working days on the relevant Maturity Date. 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 changing effect.

12. 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 and are reflected in the terms of the investment.

13. Confidentiality

DAM and the Bank observe a duty of confidentiality about your financial affairs. Neither 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.
- There is a duty to the public to disclose.
- Their legitimate interests require disclosure.

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 DAM. Ulster Bank Ireland Limited is acting as a deposit taker only and is not liable for any of the responsibilities or actions of the Product Producer or any distributor or intermediary to an investor in this product. The Bank is not offering to provide and has not provided financial or tax advice to any investor, the Product Producer, any distributor or intermediary. It is making no representation as to the terms of this product or to its likely future performance. Any such statements will be those of the Product Producer only.

The Bond is produced by DAM and the Bank has agreed to provide services in respect of the Bond as set out in the Banking Services Agreement between DAM and the Bank. Any other Distributor appointed by DAM is appointed by 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 indices 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 investment return as it deems appropriate, having regard to the Market Disruption in question. The investment return (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 DAM. 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. Assignment

The Bond may not be assigned, charged or otherwise dealt with without the prior written consent of the Bank.

19. 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. DAM is 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 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, it 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 it has your consent
- Where it is required or permitted to do so by law
- To other companies who provide a service to the Bank or you
- Where it may transfer rights and obligations under this agreement

2.5 From time to time Ulster Bank Ireland Limited may change the way in which it uses your information. Where Ulster Bank Ireland Limited believes you may not reasonably expect the change it will notify you.

2.6 If you would like a copy of the information it holds 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 Central Bank of Ireland 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 Central Bank of Ireland.

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 DAM. 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

DAM aims to provide the highest quality of customer service at all times. If you have any complaint, please contact Duggan Asset Management, Suite 170 Ivy Exchange, Granby Place, Dublin 1. 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



7. Application Form

Please complete in block capitals and return along with your cheque/draft made payable to Ulster Bank 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 **Deposit + Diversified Alpha Bond** in the name(s) of:

Primary name: Date of Birth: / /

Address:

Tel (Mobile): (Home): Email:

PPS/Tax Reference Number (evidence required):

Secondary Name: Date of Birth: / /

Address:

Tel (Mobile): (Home): Email:

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 **Deposit + Diversified Alpha Bond** (€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 appropriate box: 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.*

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 7 September 2011.

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:

Financial Advisor Declaration: I/We confirm the following:

Having conducted a full review of this investor's financial circumstances, that this Bond is consistent with the investor's investment objectives and attitude to investment risk. We have complied in full with the Anti Money Laundering (AML) and combating terrorist system that applies to all designated bodies with effect from 15 July 2010. That where an investor has been identified as potentially vulnerable (e.g. over 60 years of age) that we have followed our internal procedures in this regard.

Firm Name:

Print Advisor Name: Date:

Advisor Signature: Date:



Duggan Asset Management
Suite 170 Ivy Exchange, Granby Place, Dublin 1
Tel (01) 804 4980 Fax (01) 874 7418 Email info@dam.ie

www.dam.ie

Duggan Asset Management Limited trading as Duggan Asset Management is regulated by the Central Bank of Ireland.