

# SAVINGS & INVESTMENTS

## Anglo Irish wants savers to build on nest eggs

By Ciara O'Brien

Irish banking customers have become a nation of savers thanks to the SSIA. And banks are only too willing to help consumers to continue the habit of the past five years, offering a range of savings products promising great returns and flexibility. Anglo Irish Bank has worked hard to build up a reputation for providing value to its customers, and has consistently passed on the interest rate increases to its savings products.

As a result of ongoing feedback and research into customers' needs, Anglo Irish has introduced the Regular Saver Account and the Capital Plus Account to its existing suite of savings products in recent months. The emergence of the Regular Saver Account onto the Irish savings market last year brought fresh potential to the sector. According to Anglo Irish Bank, this account was one of the first of its kind in the Irish market last year. The bank is anticipating that demand for this type of savings account will grow as SSIA accounts mature, and customers intend to continue their sav-

ings habit. However, the bank expects the account to appeal to a range of savers. "It is not only SSIA account holders who open our Regular Saver Account," Keogh said. "Given the very attractive rate of interest we pay and that joint account holders can save up to €2,000 a month, it's a great deal for those who are committed to saving for two years." Anglo Irish said the account is the most flexible on the market, as it comes without any conditions that force customers to open an additional account, and allows the saver to stop, change or increase their monthly contributions as they

wish. The account has a minimum payment amount of €100, and maximum of €1,000 per applicant each month, and a 4.5 per cent minimum interest rate guarantee. The current rate, which is variable, stands at 7 per cent CAR. Meanwhile, the Capital Plus Account has also caused a stir. The account's returns are based on 100 per cent of the performance of the benchmark British commercial property index, produced by Investment Property Data-bank and the FTSE European Public Real Estate Association Index equally weighted. Anglo Irish said the account is unrivalled by its competition

for such a term. Most importantly, the account also has 100 per cent capital security over its term of three years and nine months, although early withdrawals could affect this. "Our strategy is to be the bank of choice for consumers with savings to invest, and this latest product is an indication of how innovative we are when it comes to meeting our customers' needs," said Keogh. "By providing capital security and fully passing on any increase in returns, we continue to be consistently competitive in our savings products." The Capital Plus product is subject to a minimum invest-

ment amount of €20,000, with investors limited to a maximum of €1,000,000 for a single investor, or €2,000,000 for joint investors. Applications close on April 27, 2007. The bank also offers an Easy Access account, notice accounts and fixed term accounts



Derek Keogh, head of personal savings at Anglo Irish Bank

## Offshore: no longer a dirty word

Investing in reputable offshore financial institutions can protect your capital – and there's no need to worry about illegalities, writes Ciara O'Brien

With the recent troubles and run-ins with the Revenue Commissioners, the thought of investing in offshore financial institutions may give potential investors some second thoughts. However, the reality couldn't be further from the truth. Offshore doesn't necessarily mean illegal. Nor does it entail ducking and diving on the part of the investor, dreading the knock from the taxman on the door.

Swiss institution Helvetia Wealth is poised to offer Irish investors a number of financial products to whet their appetite. The company has its eye on Irish investors. "There is a tremendous amount of liquidity in Ireland," said Kamil Stender, co-founder and chief executive of Helvetia Wealth. Some of the products heading towards Ireland certainly look interesting. The first is one that many cautious investors may welcome, especially given the stock market jitters of recent weeks.



Kamil Stender, chief executive, Helvetia Wealth

"It's essentially a structured product," said Stender. "It allows you to participate in the upside of the market, while giving you capital protection if there is a downturn." Stender describes it as a "lookback" product. "You get exposure to one of three portfolio types: aggressive, which is heavily weighted to equities;

balanced, which has more commodities; and conservative, which includes bonds and a small amount of exposure to equities." He explained that the product essentially takes the guesswork out of the market for investors. At the end of the product's four-year lifespan, customers are given full expo-

sure to the portfolio that performed strongest, and reap the benefits. It may sound almost too good to be true, but the fund certainly lives up to its promises. Helvetia Wealth guarantees that its customers will, at the worst performance of the fund, get their money back. "In the worst case scenario, if all three portfolios are down, all your capital is guaranteed," said Stender. However, trends indicate that this type of fund will deliver a return; the stocks being used in the portfolios showed a performance of 3 per cent even during the technology bust period a few years ago. At their best performance, estimates indicate that the stocks had a 25 per cent return. Although the product doesn't mature for four years, investors can opt out early and take their money out of the fund. The company is working with one of Europe's top three financial institutions to issue the new product, which has a total maximum volume of €30 million. The certificates are being sold for a minimum €10,000 investment, and can be bought through the Swiss company or through the investor's own retail bank. The product is open to both larger and smaller investors, with the amount invested at the individual's discretion. "We want to feed as many mouths as possible with this," said Guy van der Walt, managing director of Helvetia Wealth. Already, interest in the new product is substantial. "We think there is a huge appetite for guaranteed products," said Stender. "People want to speculate further but don't want to expose themselves." "There is a huge opportunity to bring out more innovative, exotic structured products." The key issue appears to be control – investors want it, Helvetia Wealth gives it. The company listens to what the client needs and gives advice accordingly. The client does not lose control of their finances with the structured products, and can sell out of it if the need arises. "Nobody likes to feel it's out of their hands or control," said van der Walt. Helvetia Wealth is keen to dispel the perception of offshore activities, and assures its customers that investing through its platform is not illegal, pointing out that those tax domiciled in Ireland are obligated to declare capital gains and income. They will even give you a helping hand and provide full annual tax reports. "For a lot of Irish clients, given the problems they had a few years ago, offshore became pretty much an illegal word," said van der Walt. "By banking offshore with us, customers still meet tax obligations, etc." The company is also tapping into the Irish penchant for property. Other products due to be introduced in the coming months include a fund that invests in property in Eastern Europe. Helvetia Wealth is

working with one of the top Eastern European property fund managers to bring the property product to the Irish market. Helvetia Wealth is fully licensed to operate within the EU, and is particularly interested in Ireland. Describing the country as a key market, van der Walt revealed that the firm is currently seeking office space to establish its presence in the Irish market. "We won't be able

to service clients properly unless we have a presence here," said van der Walt. Helvetia Wealth hopes to have the office up and running by the next quarter, and has recently established a London office. The company has also expanded to Dubai and Singapore, and has a subsidiary in South Africa. "We are in the midst of a rapid global expansion," said Stender. "We have a unique service offering that is taking the market by storm."

### Expect more ECB interest rates rises

The European Central Bank is determined to put the brakes on the rising inflation rate throughout Europe. Having raised rates for the seventh consecutive time in early March, the general expectation is that more hikes are on the way. Jean-Claude Trichet, President of the ECB, has yet to say that rates have hit their peak, meaning an uncertain time ahead for banks and their customers. The ECB has also altered its description of the eurozone rates after the latest hike, moving from "low" to "moderate". The new quarter percentage rate hike took the

new ECB rate to 3.75 per cent – bad news for borrowers, who saw the cost of their loans rise yet again. However, the strategy may pay off for savers – if their financial institution passes on the increased rate. Some, such as Anglo Irish Bank, build their business reputation on passing on the rates to customers. But not all financial institutions are so quick to pass on the increases. Before you sign up for any financial product, research the interest rates carefully, and what, if any, implications any interest rate hikes could have on your chosen investment.

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Source: Northern Trust International Fund Administration Services (Ireland) Ltd – Based on the Fund valuation as at 08/02/2007. Performance figures are net of all charges and commissions.

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