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The life insurance companies that we hear about provides insurance bonds, like the single or multi premium life insurance policies, that later proves to be a great investment made years ago, that pays us well in the due course of time. Due to the hefty and secure returns such Insurance policies are also considered as investment bonds. Insurance policies turns into bond investments, because of the returns one gets out of them after a certain period of time, is correct but the type of policy one is acquiring and for the period of time it is being bought and the way the policy is handled plays a major role.

The investor needs to hold such insurance bonds. And the investor needs to avoid making any withdrawals. The period of time this condition should be maintained is ten years. For ten years if the investor holds the bond without any type of withdrawals and at the offered treasury bond interest rate, only then does he or she becomes eligible for their earnings from the companies that too for the money that are free from any type of taxes. One of the biggest advantages of such an investment is a return which is tax free.

There is another type of investment quite close to the insurance policies is the treasury bonds. It is a common form of investment preferred by a lot of people from quite some time. The treasury bonds are commonly sold by the treasury departments so that one is able to pay off all his debts. But this mode is also used popularly as an effective and a secure investment. You are able to gain great returns from the 10 year treasury bonds without any hassle. One needs to understand that if there is a rise witnessed in the treasury productâ€™s demand then the treasury yield rates sees a downwards trend automatically. So it is a more secure and a safer way to invest oneâ€™s hard earned money.

A fact is that the values of the Australia Treasury bonds and the treasury yields always march on an opposite direction. But yes the 10 year treasury bonds are an obligation due to the debts. But still people prefer such bonds due to the great returns this bond serves. The rate of interest posed on this type of bond is stated rate of interest. And semi-annual interests are received by the investor. But the investor receives the interest payments regularly without any discrepancy. Here in this type of a bond what one needs to keep in mind is the yield curve. To refer the 2010 yield curve proceeding till date would be a great idea to understand the amount best invested by you as the yield curve will help you understand the returns that you may expect afterwards, couple of years down the line. A particular borrowed amount is eligible for a particular interest rate and also a given period of time is decided upon for the maturity of the amount or the debt. Now the relation established between the rate of interest and the maturity of the amount/debt amount in the given currency is the yield curve.

No matter how promising an investment looks like, learn all the facts.

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