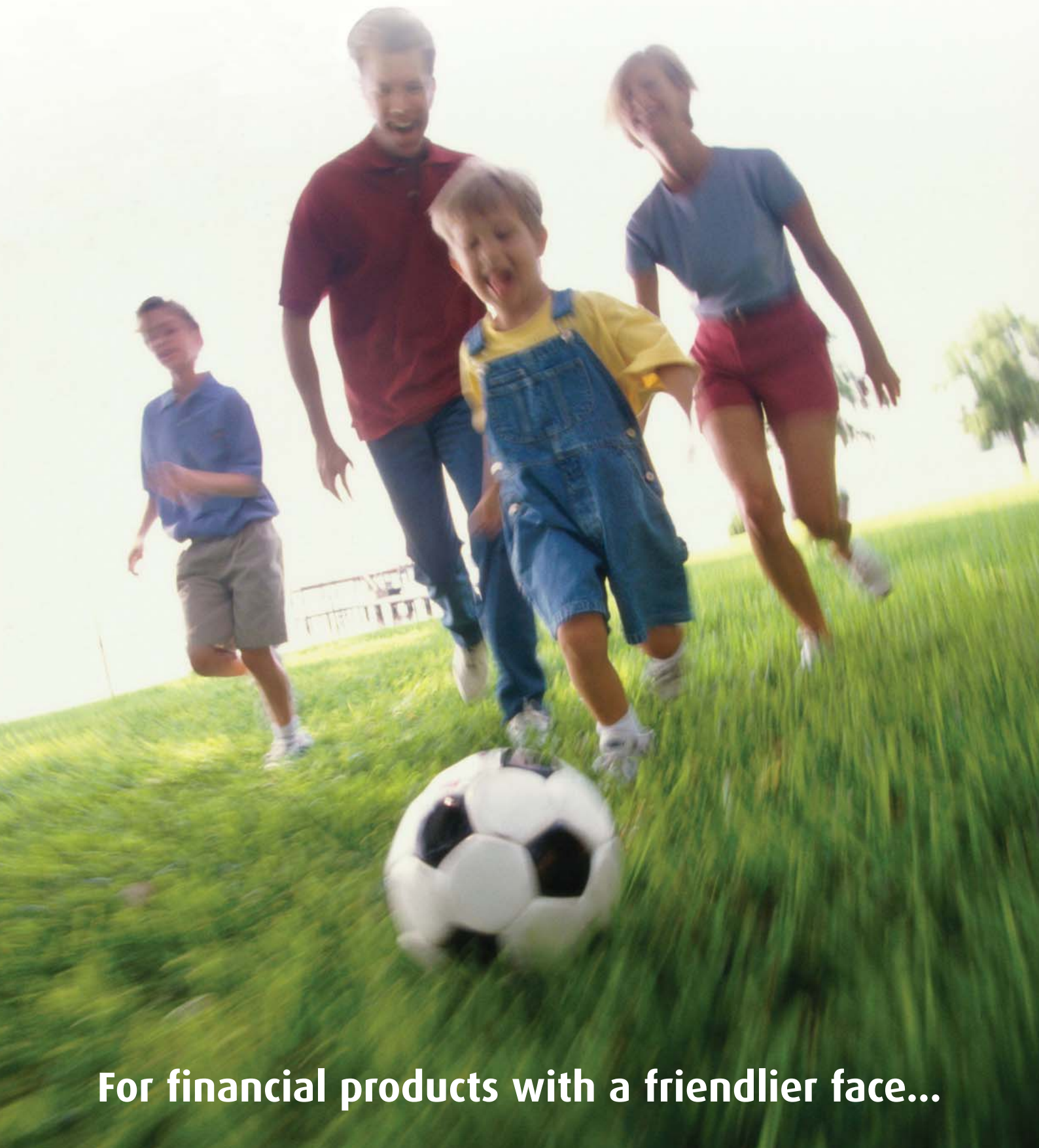


STOCKS & SHARES WITH PROFITS JUNIOR ISA

 **KINGSTON UNITY**
THE FRIENDLY SOCIETY
TRADITIONAL VALUES - MUTUAL BENEFITS



For financial products with a friendlier face...



What is a Junior Individual Savings Account (ISA)?

Junior ISAs are investments with tax advantages, available to all UK resident children under the age of 18 who don't have a Child Trust Fund Account.

There are two types of ISA available – Stocks & Shares ISAs and Cash ISAs. Kingston Unity only offers Stocks & Shares ISAs.

Junior ISAs have special tax advantages which mean that the proceeds from the ISA will be completely tax free. This is subject to current legislation which may change in the future.



What is the Kingston Unity With-Profits Junior ISA?

A Stocks & Shares ISA which invests in the Kingston Unity With-Profits Fund. Bonuses are added to the ISA annually (see section How does the Bonus work?). The With-Profits fund aims to smooth returns to avoid the worst of market fluctuations and over the longer term aims to give a better return than deposit type accounts. It does this by investing in a mixture of asset classes.



What is Kingston Unity's With-Profits Fund?

The Kingston Unity With-Profits Fund has a balanced portfolio of equities, fixed interest deposits, government stocks and property. Further details of how this operates can be found in our leaflet 'A guide to how we manage our with profit fund' or alternatively by viewing the 'Principles and Practice of Financial Management' document either on our website or by request from Head Office.



How much can I invest?

- You can currently invest sums of up to £3,600 tax free in each tax year, although this figure will change in the future to reflect Government increases, with a minimum of £10 lump sum, or £5 if you will be paying additional monthly contributions by standing order or direct debit.
- If you are investing into a Junior Cash ISA in this tax year then the amount you can invest in a Stocks & Shares Junior ISA will be reduced. You can pay no more than £3600 in total to Stocks & Shares and Cash Junior ISAs with no maximum amounts in each type subject to the overall limit.
- You are able to invest in a Junior Cash ISA and a Stocks & Shares Junior ISA with different providers but you cannot hold more than one of each type at any time with different providers. It is up to the account holder or the individual with parental responsibility to ensure that investment does not exceed the annual allowance for that tax year.
- Payments can be made to the account by any individual e.g, parents, relatives or friends.



Who can open a Junior ISA?

An account can be opened by the individual if he/she is over the age of 16. However, where the child is under the age of 16, a person with parental responsibility can open the account on his/her behalf and that person will be responsible for the account until he/she reaches the age of 16. At 16 responsibility can be passed over to the account holder.



Can I make additional payments?

Yes with a minimum of £10 or £5 per month if paid by direct debit or standing order.



Can I stop paying in to my Junior ISA?

Yes you can stop or vary payments at any point.



Can I make withdrawals from my Junior ISA?

No, withdrawals are not allowed from a Junior ISA until the child reaches the age of 18. The only potential exception is upon the diagnosis of a terminal illness. It should be remembered that any contributions made by parents, grandparents etc cannot be withdrawn at any time as the funds once invested belong to the child.



What happens when the child reaches the age of 18?

At 18 the Junior ISA will automatically transfer to become an Adult ISA and it will then be subject to the conditions relating to that type of account. The invested funds will continue to benefit from the tax advantages and future bonus but you will need to ensure that the account meets your needs at the time. Alternatively the balance in the account can be withdrawn and paid out to the account holder.



When will the Junior ISA be opened?

The Junior ISA will be opened immediately on receipt of your completed application form and cheque for the first payment.



Can I cancel my ISA if I change my mind?

You will have a 30 day cancellation period in which to change your mind. If you change your mind during the cancellation period your investment will be returned to you without penalty.



Can I transfer my Stocks & Shares or Cash Junior ISA with another provider to Kingston Unity Friendly Society?

Yes, under normal circumstances you can do this. As you can only have 1 Cash and 1 Stocks & Shares Junior ISA at any time, if you choose to transfer your Stocks & Shares Junior ISA to a Kingston Unity Stocks & Shares Junior ISA then you will need to transfer the whole amount, including any previous year's subscriptions.

If you wish to transfer a Cash Junior ISA to a Kingston Unity Stocks & Shares Junior ISA then you can transfer all or part of previous year's subscriptions to us. You can also transfer money saved in the current tax year with another provider in a Cash Junior ISA to a Kingston Unity Stocks & Shares Junior ISA.



Can I transfer my Kingston Unity Stocks & Shares ISA to another provider?

Obviously we hope that you will be completely satisfied with the performance of your ISA and the service you receive from the Society but if you want to transfer to another provider that can be arranged. If you decide to do this a Market Value Reduction (MVR) may be applied (see section what is a Market Value Reduction)



What is a Market Value Reduction (MVR)?

The Society reserves the right to apply an MVR on policies being transferred to another provider during times of adverse investment conditions. This applies to both capital and bonus and is designed to ensure that you receive your fair share of the fund and that transfers do not unfairly affect the value of those who continue to invest.

The amount of the MVR depends on when you invested, the period over which you have invested and the investment market conditions during this time. An MVR is not applied on maturity at age 18 or on death. The level of MVR will be set by the Society's Board after receiving advice from our Actuary. We will try to smooth the returns payable to members through their ISA.

This practice may alter at any time and without notice.



What happens if the ISA policyholder dies?

On early death the Society will pay 101% of the value of the Junior ISA at the date of death to the individual's estate. Interest to the date of death will be credited tax free but any interest added between the date of death and the date of payment will be subject to tax at the applicable rate in force.

Upon death Junior ISAs lose their tax free status and cannot be continued by the holder's beneficiaries.



How do charges and expenses affect my investment?

The Society makes an annual charge to cover the costs of setting up the policy and its continuing management during its life. The effects of these charges are shown in the illustration for the policy.



How does the Bonus work?

Bonus added to your plan is called 'reversionary bonus' and once added cannot be taken away. The bonus rates are determined annually by the Society Board following advice from the Actuary. We aim to keep the total bonus paid to members on their Junior ISA in line with the investment return achieved over the term of their investment less a 1.5% management charge and after allowing us to smooth out extremes at either end.

The value of regular bonus given in the past should not be used as a guide to what you may receive in the future. New bonus declarations will reflect the Society's investment performance, expenses, solvency position, expectations and future returns. Once added, this regular bonus cannot be taken away.

The Society may also make an additional final bonus at age 18 if the investments backing the fund have performed better than the regular bonus already added. However, this final bonus is not guaranteed.



How can I keep track of the investment?

We will send you a statement showing the value of your Junior ISA at the end of each tax year. The statement will also show any debits and credits during the year. You can contact us at any time if you have queries regarding the value of your Junior ISA.



Who should I contact if I have further questions?

If you require any further information or have any queries, please contact any member of staff of the Kingston Unity Friendly Society on 01924 240164. Alternatively queries can be emailed to ISA@kingstonunity.co.uk





How do I open my Stocks & Shares Junior ISA?

To apply for a Kingston Unity Stocks & Shares Junior ISA you must complete an application form and return this to Kingston Unity together with a cheque for your lump sum investment or for your initial monthly investment (in the case of monthly investments you must also complete a direct debit or standing order form). Our address is **Kingston Unity Friendly Society, 9 Navigation Court, Calder Park, Wakefield WF2 7BJ**.



Membership of the Society

By taking out an account you become a member of the Society. All policies are issued in accordance with and are subject to the Society's Rules, which may be varied from time to time.

A copy of the Society's rules will be supplied to members on request.

Please ask for details of our other products:

- **Investment Bond**
- **Tax Exempt Savings**
- **Individual Savings Account (ISA) with profit/tracker**
- **Regular Savings**
- **Guaranteed Acceptance over 50's Life Policy**



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9 Navigation Court, Calder Park,
Wakefield, WF2 7BJ

You can find out lots more about 'The Friendly Society' and our products from our website:

www.kingstonunity.co.uk

Alternatively call our head office team on:

Tel: 01924 240 164

Because we are 'The Friendly Society' - you will be answered by a person, not a machine!

Kingston Unity is authorised & regulated by the Financial Services Authority FRN 110056

WITH PROFITS STOCKS & SHARES JUNIOR ISA KEY FEATURES

WHAT IS THE PURPOSE OF THIS LEAFLET?

The Financial Services Authority is the independent financial services regulator. It requires us, Kingston Unity Friendly Society, to give you this important information to help you decide whether our With-Profits Stocks & Shares Junior ISA is right for you. You should read this document carefully along with the illustration, Terms & Conditions and general product leaflet, so that you understand what you are buying and then keep it safe for future reference.

WHO IS THE WITH PROFITS STOCKS & SHARES JUNIOR ISA SUITABLE FOR?

Individuals up to the age of 18 who wish to save or invest tax free until at least their 18th birthday in a fund which consists of a spread of different assets such as equities, property, fixed interest & cash.

ITS AIMS

- To enable you to save or invest tax free (with the exception of tax credits on dividends which we can no longer reclaim) in a range of assets to build a lump sum with low to medium risk.
- To add bonuses to your investment.
- To allow you to vary or cease your contributions if your circumstances change.
- To provide a higher return over the medium to long term than a Bank or Building Society deposit based account.

YOUR COMMITMENT	RISK FACTORS
<ul style="list-style-type: none"> ● To pay up to £3600 per tax year (which may be varied by the Government). ● You cannot withdraw all or part of the investment at any time until the child reaches the age of 18. You can transfer the amount to another provider. ● You will be unable to start a Stocks & Shares Junior ISA with another provider whilst this Junior ISA is running. 	<ul style="list-style-type: none"> ● The tax treatment of ISAs may change in the future which may result in you having to pay additional tax or reducing the amount you may get back. ● Your circumstances may change preventing you from making further payments. ● Bonus rates are not guaranteed and depend on investment performance of the Society. ● A reduction in value (known as a market value reduction) may apply on transferring to another provider depending on the performance of investment returns. ● Inflation may reduce what you could buy in the future. ● Your investment may not achieve a higher return than a deposit based account.

QUESTIONS AND ANSWERS

HOW MUCH CAN I INVEST?

You can currently invest sums of up to £3,600 tax free in each tax year with a minimum amount of a £10 lump sum, or £5 per month. This limit may be varied by the Government.

IS THERE A MINIMUM INVESTMENT TERM?

There is no minimum term, other than that the ISA will not be accessible until the child's 18th birthday but the ISA should be viewed as an investment for a minimum of 5 years.

ARE THERE ANY CHARGES?

Yes, the Society takes into account an annual charge of 1.5% before bonus rates are calculated and declared.



WHAT DOES THE POLICY PAY ON THE MEMBER'S 18TH BIRTHDAY?

At the age of 18 the policy will 'roll-over' into an adult ISA but the ISA will also become accessible. If you choose to withdraw from your ISA at the age of 18, the policy guarantees to pay the sum assured (being the premiums paid to date) plus the bonuses accrued to the date of the 18th birthday. The Society may increase this with an additional final bonus if the investments backing the fund have performed better than the regular bonus accrued to date.

CAN I STOP PAYING PREMIUMS?

You can vary or cease the amount of premium you pay within a tax year subject to the overall maximum amount.

CAN I TRANSFER THE PLAN TO ANOTHER PROVIDER?

Yes, you can transfer the plan to another provider of stocks and shares Junior ISA before the member's 18th birthday. The amount transferred will be the sum assured plus the bonuses to date less any adjustment necessary if the market value of assets backing our with profit fund is low. The adjustment is called the Market Value Reduction factor and will reduce the value paid to the equivalent market value of the backing assets for the policy. If the backing assets have a higher value than the sum assured and accrued bonus, we may add a final bonus to the payment.

WILL THERE BE ANY LIABILITY TO TAX?

Any money you receive from your Junior ISA under current legislation (which may vary in future) will be completely free of tax and you will not need to declare any growth or income from your investment on your tax return.

Capital gains and investment income made to the fund are currently tax-free but we cannot reclaim the 10% tax credit on dividend income.

The tax treatment is subject to current legislation which may change in future.

WHAT HAPPENS IF I DIE?

On death during the term of the investment, the Society will pay 101% of the value of your Junior ISA investment to your estate. Any interest paid on the Junior ISA from date of death until the money is paid is subject to tax at the rate applicable at the time.

HOW WILL IT WORK FOR ME?

Accompanying this leaflet you will find an illustration which shows an example of possible growth and performance of a Junior ISA. If you require a specific illustration please contact us.

OTHER INFORMATION

FURTHER READING

You should also read the leaflet 'Kingston Unity's With Profits Stocks & Shares Junior ISA' in conjunction with this document. This gives more detailed information on the With Profits Stocks & Shares Junior ISA.

CANCELLATION RIGHTS

After your proposal is accepted you will receive a notice of your right to cancel. You will then have 30 days in which to change your mind.

LAW & LEGISLATION

In legal disputes the Law of England and Wales will apply.

It is possible that legislation affecting the tax free status of ISAs may change in the future. This may affect the benefits, premiums or plan condition.

COMPLAINTS

If you wish to complain about any aspect of a product or the service that you have received please contact the Compliance Officer at the address shown below. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Services Ombudsman, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Making a complaint will not prejudice your right to legal proceedings.

WHO SHOULD I CONTACT IF I HAVE FURTHER QUESTIONS?

If you require any further information or have any queries, please contact any member of staff of the Kingston Unity Friendly Society at the address shown below or on 01924 240164. Alternatively you can email isa@kingstonunity.co.uk.

COMPENSATION

Information on compensation arrangements is available from the Society on request.

THE KINGSTON UNITY FRIENDLY SOCIETY

Was founded in 1840. Total assets exceed £48 million and there are over 60,000 members.

Kingston Unity Friendly Society

9 Navigation Court, Calder Park, Wakefield, WF2 7BJ

Telephone: 01924 240 164 Fax: 01924 242 992

Email: enquiries@kingstonunity.co.uk Web: www.kingstonunity.co.uk

Kingston Unity is authorised & regulated by the Financial Services Authority FRN 110056



Terms and Conditions for Kingston Unity Junior Individual Savings Account

In the following:

“you” refers to the insured member of the Society and “your” means belonging to the insured member of the Society who owns this insurance.

“us”, “we” and “our” all refer to the Kingston Unity Friendly Society (the “Society”);

We will maintain a unit-linked and a unitised with profits whole life assurance for the purposes of providing a Junior Individual Savings Account. All owners of the insurance will be members of the Society.

The terms and conditions of owning this insurance will be:

1. 100% of any contributions received for the Account will be allocated to units in one of the funds at the next published unit price.
2. The insurance policy (and any of the underlying value attached) cannot be used as security for a loan and is in the beneficial ownership of you;
3. The Account can be transferred to another Junior Individual Savings Account provider at any time. You can choose to transfer all or part of the value of your account to another provider’s cash Junior Individual Savings Account or you can choose to transfer the whole account to another provider’s stocks & shares Junior Individual Savings Account. The value provided will be the then current number of allocated units to the Account multiplied by the next published unit price following receipt of the required form at the Society’s head office the unitised with-profit fund value may be adjusted by a market value reduction factor on transfer at the discretion of the Board. We will carry out this transfer within 30 days from receiving your instructions. For partial transfers the value provided will be the value you have requested to be transferred, and the number of units held in your account will be reduced by the transfer value divided by the unit price in force on the day of transfer. The unitised with-profit fund value may be adjusted by a market value reduction factor on transfer at the discretion of the Board.
4. We do not accept any investments in this Junior Individual Savings Account other than the insurance policy covered by these terms and conditions. However, if other assets existed:
 1. except for cash deposits and for our insurance policies, the title to the ISA investments will be registered
 - a. in the name of the the Society’s nominee, or

- b. jointly in the name of the Society's nominee and you
 2. except for cash deposits and for our insurance policies, share certificates or other documents evidencing title to ISA investments will be held by us or as we may direct;
 3. except for cash deposits we will arrange, if you elect, for you to receive a copy of the annual report and accounts issued by every company or other concern in respect of shares, securities or units which are held directly in the ISA (if the investor receives these automatically this fact should be stated in the ISA terms and conditions);
 4. except for cash deposits and our insurance policies, we will arrange if you wish, to arrange for you to be able:
 - a. to attend shareholders', securities holders' or unit holders' meetings
 - b. to receive, in addition to the annual report and accounts, any other information issued to shareholders, securities holders or unit holders
 5. we will need to satisfy ourselves that any person to whom we delegate any of our functions or responsibilities under the terms agreed with you is competent to carry out those functions and responsibilities;
5. We will notify you if, by reason of any failure to satisfy the provisions of the ISA regulations laid down by Her Majesty's Revenue and Customs, an ISA has, or will, become void.
6. You cannot surrender the policy and encash all the proceeds until you have attained the age of 18. Once you reach the age of 18 you can surrender the policy and encash all the proceeds. The value provided will be the then current number of allocated units to the Account multiplied by the next published unit price following receipt of the required form at the Society's head office. For the unitised with profit insurance, we may apply a Market Value Reduction if the surrender is not at your birthday (or a period of X days after this), at the tenth anniversary of you attaining the age of 18, or at every subsequent fifth anniversary of this date.
 7. On attaining the age of 18, your Junior ISA will automatically roll-over into an adult Stocks & Shares ISA and the terms & conditions relating to the adult Stocks & Shares ISA will then apply
7. .
8. There will be a limit to the total contributions that can be accepted by the Society on any Account in the year of subscription. This limit will be published from time to time in the relevant Tables.
 9. If you die, the Society will pay the 101% of the value of the Account your estate. The value provided will be the then current number of allocated units to the Account multiplied by the next published unit price the receipt of

the required form at the Society's head office. For the unitised with profit insurance the Society will pay 101% of the value of the Account.

10. The units allocated to the account do not belong to the Member. They are purely for the calculation of benefits under the terms of the insurance. The funds and the units are part of the long-term business funds of the Society.

11. The units will be within funds (The Funds) that will be published from time to time in the relevant Tables. The Society can create new Funds at any time or merge funds together at its complete discretion.

Unit linked funds only:

12. Units will be priced at least monthly. The unit price will be the value of the assets within the fund allowing for the buying and selling costs of the assets and less the following adjustments:

- Any tax or levy that could be deemed to apply to the assets in the fund of the society;
- Any direct charges associated with ownership of the assets;
- Any interest charged on any loans made to the fund by the Society;
- The annual management charge.

The unit price will be calculated by taking the value of the assets within the Fund as calculated above after adjustments and dividing by the number of units created within the Fund of the Society. The unit price will then be rounded up or down to the nearest 0.1p

13. The annual management charge will be calculated each time a unit price is calculated as being $(n \times 3/730)\%$ of the value of the assets within the Fund (as adjusted above) at the last unit price calculation. n is defined as the number of days between the two pricing calculations.

14. Any unit creation or destruction within the Fund by the Society will be carried out at the unit price calculated on the date of that creation or destruction.

Unitised with profit fund only:

15. The Board will determine reversionary bonuses annually in their normal bonus declarations. The unit price of the unitised with profit will increase from the price calculated from the last annual reversionary bonus by applying the current declared reversionary bonus as a compound increase. After the bonus has been declared, the unit price will be guaranteed not to fall below that price at any time in the future.

16. The Board will also declare, from time to time, an interim reversionary bonus rate which would be applied as a compound annualised rate from the last unit price fixed by the annual reversionary bonus as an increase in the current price. This interim bonus is not guaranteed and can be reversed by

the Board in its absolute discretion. The unit price could fall to the level set by the last full annual reversionary bonus at any time.

17. The annual reversionary bonus will be fixed by the Board to reflect the smoothed performance of its main with profits fund after allowing for the level of guarantees within the fund. It will also reflect an allowance for expenses of 1.5% of funds under management.

All insurances:

18. The Account cannot be assigned to another beneficial owner, nor can any loan be taken out against the value of the Account.

19. The Account can be linked to as many Funds as the Society publish in its Tables, as allowable from time to time. Units may be switched from one Fund to another by cancelling the units in one Fund and allocating units in another Fund. The number of units allocated in the second Fund will be the number of units in the first Fund multiplied by the next published unit price in the first Fund divided by the next published unit price in the second fund. The unit prices will be the ones next published after receipt of the switch instructions at the head office of the Society in the required form.