

# Bonus Declaration 2017

**Kingston Unity Friendly Society is delighted to announce its 2017/18 With Profits Bonus Rates.** As a Mutual Society, we are owned and run on behalf of our Members and not for shareholder profit, meaning that we can distribute any surplus profit back to Members through our bonus rates.

We believe our Members should be communicated to in an honest and transparent way. The declared rates below are after all our charges. There are no hidden fees or additional management costs. We cannot guarantee future bonuses and previous bonus rates should not be used as a guide to future performance, however, once these are added to your plan, they cannot be removed.

## Bonus Rate History

Product	Bonus Rate Declared 2017	Bonus Rate Declared 2016	Bonus Rate Declared 2015	Bonus Rate Declared 2014
Individual Savings Account (ISA - New Issue)	3.00%	3.10%	2.00%	3.40%
Individual Savings Account (ISA - Old Issue)	2.50%	1.50%	1.00%	2.30%
Junior Individual Savings Account (JISA)	3.00%	3.10%	2.00%	3.40%
Investment Bond (New Issue)	2.50%	2.50%	-	-
Investment Bond (Old Issue)	1.90%	1.40%	1.00%	2.80%
Child Trust Fund (Non-Stakeholder)	2.00%	1.50%	1.50%	2.30%
Tax Exempt Savings Plan*	1.50%	1.50%	1.75%	2.25%
Child Tax Exempt Savings Plan*	1.50%	1.50%	-	-
Regular Savings Plan*	1.00%	1.00%	1.25%	1.75%

**Notes:** New issue ISAs use a reversionary rate and once this is added, it cannot be removed. A reversionary rate is the rate paid at the end of the year, thus reflecting the performance of the year. Old issue ISAs and Child Trust Fund (non-stakeholder) accounts do not use a reversionary rate instead the rate is declared up front and can be changed during the year. Old issue ISAs were closed for new business in November 2016. Old issue Investment Bonds closed for new business in September 2016.

\*Bonus rates for Tax Exempt Savings Plans, Child Tax Exempt Savings Plans and Regular Savings Plans are applied to the Sum Assured and not the investment amount. Therefore these rates are not directly comparable to other rates.

*"I am delighted to report that the Society has had a successful year from an operational perspective and has made strong progress in improving our systems, governance and controls. The Society is in robust health and our strategy for 2018 promises a bright future for Kingston Unity and its Members."*

**Ben Pears**  
Chief Executive



## A Guide to our With Profits fund

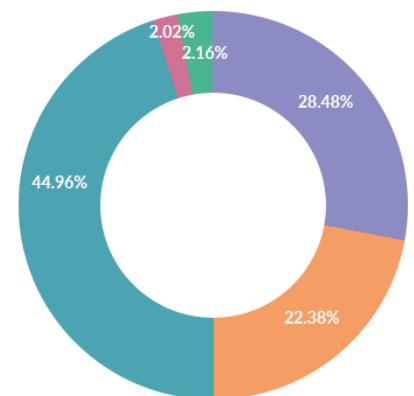
Our With Profits fund invests in a range of different assets such as property, shares, cash and bonds, to provide Members with a low to medium risk investment. The aim of the fund is to offer savers a better return than more traditional cash saving accounts that you would find with banks, but without entering a high risk investment environment with their savings. You can learn more about how we manage our With Profits fund at [kingstonunity.co.uk/with-profits](http://kingstonunity.co.uk/with-profits).

## Understanding smoothing

Smoothing is the process used to protect our members from short term fluctuations in the value of assets within the With Profits fund. Smoothing takes place by retaining some of the surplus profit of a good year and paying it out in a year when our investments haven't performed as well.

This helps us to pay annual bonuses year on year. However, smoothing doesn't guarantee protection from long-term and sustained falls in the value of our assets. In such circumstances a Market Value Reduction (MVR) may be applied.

## Where do we invest?



## A Society moving forward

Due to the strong performance of our equity and commercial property holdings, the With Profits fund returned 6.5% in 2017. This has enabled us to increase or maintain bonus rates across our products.

We believe that this is a fantastic outcome for our Members, as the Society continues to meet our investment objective of providing a better return than cash savings over the medium and long term. The Society has consistently achieved this aim and we hope Members are pleased with the outcomes being generated.

Our bonus rates have offered a better return than cash deposits consistently over recent years. This provides Members with the reassuring proposition for those savers that are looking to make their money work harder for them through a low to medium risk investment.

Find out more at: [✉ enquiries@kingstonunity.co.uk](mailto:enquiries@kingstonunity.co.uk) [☎ 01924 240 164](tel:01924240164) [🌐 kingstonunity.co.uk](http://kingstonunity.co.uk)