

Bonus Declaration for year end 2018

Kingston Unity Friendly Society is delighted to announce its 2018/19 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 the generation of annual bonuses

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 2018	Bonus Rate Declared 2017	Bonus Rate Declared 2016	Bonus Rate Declared 2015	Bonus Rate Declared 2014
Investment ISA	1.75%	3.00%	3.10%	2.00%	3.40%
Junior ISA (JISA)	1.75%	3.00%	3.10%	2.00%	3.40%
Investment Bond (Issued from September 2016)	1.50%	2.50%	2.50%	-	-
Investment Bond (Issued before September 2016)	1.40%	1.90%	1.40%	1.00%	2.80%
Tax Exempt Savings Plan*	1.00%	1.50%	1.50%	1.75%	2.25%
Child Tax Exempt Savings Plan*	1.00%	1.50%	1.50%	-	-
Regular Savings Plan*	1.00%	1.00%	1.00%	1.25%	1.75%

Notes: The new issue ISAs and JISAs noted above 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 daily rate 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.

“Despite a challenging backdrop, the Society has delivered on a number of operational and regulatory objectives, whilst showing that our adopted strategy continues to bear fruit for our Members. While significant change and evolution has been a necessity to secure the long-term future of the Society, it is also clear that remaining true to the founding values of the Society is essential, as we look to differentiate ourselves from the mainstream providers.”

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 medium to low 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/withprofits.

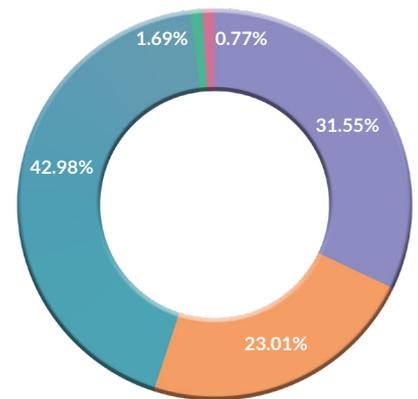
Understanding smoothing

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?

- Property
- Cash
- Equities (Shares)
- Gilts, Bonds & Fixed Interest
- Other Assets



Source: Kingston Unity, as at 31/12/2018

Our promise of fairness

Irrespective of market turbulence, the integrity and vision of the Society has held fast with bonus rates applied and product guarantees maintained.

Overall the Board believes the Society is positioned to have a successful 2019, continuing our transformational journey whilst successfully navigating regulatory and market challenges with a strategy focusing both on operational performance and the delivery of a Society culture that our Members expect.

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 medium to low risk investment.

Find out more at:  enquiries@kingstonunity.co.uk  01924 240 164  kingstonunity.co.uk