



KINGSTON UNITY
THE FRIENDLY SOCIETY
TRADITIONAL VALUES - MUTUAL BENEFITS



**key features and terms & conditions of our
Investment NISA**

What is the purpose of this document?

The Financial Conduct Authority is a financial services regulator. It requires us, Kingston Unity Friendly Society, to give you this important information to help you decide whether our Investment NISA is right for you. You should read this document carefully along with the illustration so that you understand what you are buying and then keep it safe for future reference.

Key Features of the Kingston Unity Investment NISA

Who is the Investment NISA suitable for?

- Eligible individuals who wish to save or invest tax free for a period of at least between 3 and 10 years 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

- To pay a regular monthly premium of at least £25 per month, or single premiums with a minimum initial investment of £500 up to the maximum investment limit in any one tax year.
- You can withdraw all or part of your investment at any time but should consider your investment to be a medium to long term plan.
- You will be unable to start a Stocks & Shares NISA with another provider during the same tax year.

Risks

- The tax treatment of NISAs 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 forcing you to cash in early.
- A Market Value Reduction may be applied if you withdraw early depending on performance of investment returns and it is possible that you could receive back less than you invested.
- Bonus rates are not guaranteed and depend on the investment performance of the Society.
- Inflation may reduce what you could buy in the future.
- Your investment may not achieve a higher return than a deposit based account.

Why should I save with the Kingston Unity Friendly Society?

Kingston Unity is a Friendly Society which was established in 1840 and is a mutual organisation owned by its members. Being mutual means that any surplus funds are used for the benefit of members and not to pay shareholders.

What is a New Individual Savings Account (NISA)?

NISAs are investments with tax advantages, available if you are resident and ordinarily resident in the UK for tax purposes.

There are two categories of NISA available - Stocks & Shares NISAs and Cash NISAs. Kingston Unity only offers a With Profits NISA which falls within the Stocks and Shares category.

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

What is the Kingston Unity Investment NISA?

A Stocks & Shares NISA which invests in the Kingston Unity With-Profits Fund. A bonus rate is declared annually and any declared Bonuses are added to the NISA (**see section 'How does the Bonus work?'**). The With-Profits fund aims to smooth returns to avoid the worst of market fluctuations. It does this by investing in a mixture of asset classes.

How much can I invest?

You can currently invest up to the maximum allowed by the Government per tax year in a Stocks & Shares NISA. If you have also invested in a Cash NISA in the same year this will reduce the amount you can invest in your Stocks & Shares NISA accordingly. It is your responsibility to ensure that your investments do not exceed the annual allowance for that tax year.

Within these parameters, you can invest either an initial lump sum of a minimum of £500 with further lump sum or monthly additions if you choose. Alternatively you can choose to make regular monthly payments by direct debit of a minimum of £25 per month.

Who can save in the NISA?

Individuals, who have capacity, and who are aged 18 or over, and who also are resident and ordinarily resident in the UK for tax purposes.

Where is my money invested?

The premium is invested into the Society's With-Profits fund. This fund is made up of investments into four main asset classes; equities, commercial property, fixed interest (eg gilts, corporate bonds, etc) and cash. The purpose of this is to reduce investment risk whilst giving exposure to assets that over a period of time are expected to generate growth and provide a balanced approach with low to medium risk. This makes an appropriate investment for someone who is not averse to some risk and would like the opportunity to take advantage of the potential growth in assets not given by deposit based accounts, but without the enhanced risk of

investment in single equities or assets. The mix of assets will vary from time to time to reflect market conditions.

How does it work?

In addition to your invested capital, depending upon investment performance of the With-Profits fund, the Society's Board, in consultation with the Actuary, may declare an annual bonus which is added to the NISA (**see section 'How does the Bonus work?'**). This is based on the daily balance during the year.

There are set dates on which you are guaranteed to be able to fully or partially withdraw your capital and accumulated bonuses without penalty.

How does the Bonus work?

Depending on investment performance, we will declare a bonus rate around February to April in each year and any resulting bonus will be added to your policy. The bonus will be calculated on the previous calendar year and will depend upon the balance of the NISA during this year. This is known as a 'reversionary' bonus.

Once added, reversionary bonuses cannot be taken away, except in the case of a Market Value Reduction (MVR) being applied (**see section 'What is a Market Value Reduction?'**)

The value of regular bonus given in the past should not be used as a guide to what you may receive in the future. Note that there is no guarantee that an annual bonus will be declared, although historically the Society has never failed to do so. Further details can be found in sections 11 to 13 of the Terms & Conditions.

Are there any guarantees?

Providing the NISA runs for at least ten years, the Society guarantees that you will get back all invested capital, plus any bonuses allocated to date, if you encash fully on MVR-free dates (**see section 'What is a Market Value Reduction?'**).

How long does the NISA have to remain invested?

Your NISA does not run for a specific term. However it should be viewed as a medium to long term investment. There are dates where any withdrawals are guaranteed to be free of a Market Value Reduction regardless of market conditions. These dates are the 10th anniversary and each subsequent 5th anniversary. The guaranteed withdrawal dates include a period of 30 days after the relevant anniversary.

Can I stop paying in to my NISA?

Yes you can stop or vary payments at any point during the tax year. However if you do not make a payment in the whole of a tax year and wanted to start paying again in the next tax year, you will have to make a new application.

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

Yes, under normal circumstances you can transfer all or part of the money saved in previous years with another provider

to a Kingston Unity Stocks & Shares NISA without any effect on your annual NISA investment allowance for this tax year.

You can also transfer money saved in the current tax year with another provider in a Stocks & Shares or Cash NISA to a Kingston Unity Stocks & Shares NISA. The transfer must be the whole amount saved in the current tax year up to the day of transfer.

Once money saved in the current tax year in a Cash ISA is transferred into a Stocks & Shares NISA it will be treated as if it had been invested directly into the Stocks & Shares NISA in that year.

Under regulations which became effective on 1st July 2014, there are no restrictions on transfers either way between Cash NISAs and Stock and Shares NISAs.

Can I make withdrawals from my NISA?

Yes. You may make partial withdrawals of amounts of £500 or more or close your account at any time. If your account remains open the balance must be a minimum of £100. If you withdraw from your NISA or close your account in times of adverse conditions then a Market Value Reduction may be applied which could in some circumstances result in loss of capital where you may get back less than you have paid in.

What is a Market Value Reduction (MVR)?

A Market Value Reduction, also known as an MVR, is a percentage based reduction in the value of your withdrawal. The Society reserves the right to apply an MVR on policies being encashed in part or fully 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 withdrawals by members cashing in do not affect the value of your continuing investment.

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 death. The level of MVR will be set by the Society's Board after receiving advice from the Society's actuary. We will try to smooth the returns payable to members through their NISAs.

This practice may alter at any time and without notice. However, information on the current practice is available on request.

What are the MVR free dates?

We guarantee not to apply an MVR if you choose to cash in at the 10th anniversary of starting the NISA and every subsequent 5th anniversary after this. At all other dates an MVR may be applied, but will depend upon the circumstances at the time.

What happens if I die?

On early death the Society will pay 101% of the value of the NISA 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 NISAs lose their tax free status and cannot be continued by the holder's beneficiaries.

Are there any charges?

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

Is there any tax liability?

Any money you receive from your NISA under current legislation 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.

If you are in any doubt about how the legislation may affect you, we strongly suggest that you seek professional taxation advice.

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 NISA. If you require a specific illustration please contact us.

How can I keep track of the investment?

We will send you a statement showing the value of your NISA 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 NISA.

Can I change my mind?

You can change your mind within 30 days from the date you receive the policy document. You will generally receive a full refund of your investment. However, if you have taken out your plan via an IFA and you have agreed for any fees to be taken directly from your investment, then you will be receive a refund of your investment less any fees paid to your IFA.

How to apply

If you have decided how much you wish to invest you should read this document with the illustration which gives other important facts. Providing you do not need any advice, you should complete and return the application form, transfer authority (where applicable), direct debit authority (where applicable) and cheque for your lump sum investment (where applicable) and send them to FREEPOST RSJC-BBGE-KSAX, Kingston Unity Friendly Society, 9 Navigation Court, Calder Park, Wakefield WF2 7BJ.

What if I would like advice?

Due to regulation the Society is unable to provide investment advice to you. If you would like advice you should consult an Independent Financial Adviser who may charge for their services.

The following websites list IFAs:

www.which-advisor.co.uk, www.ifa-guide.co.uk.

Note this does not constitute a recommendation of their services.

How can I contact you?

If you have any questions please contact our new business department at 9 Navigation Court, Calder Park, Wakefield, WF2 7BJ or telephone us on 01924 240164.

You can also email enquiries@kingstonunity.co.uk.

What law applies to my policy?

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

Legislation

It is possible that legislation affecting the Investment NISA may change in the future. This may affect the benefits or conditions of the plan.

How do I make a complaint?

If you need to complain, please contact the Compliance Officer at the address under the section **“How can I contact you?”**. If you’re not satisfied with our response you can write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Making a complaint won’t affect your legal rights.

Client Category

We are required to categorise our clients. We will treat you as a “Retail Client” which means that you will benefit from the highest level of consumer protection.

Compensation

The Society is covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, you may be entitled to compensation from the scheme. This depends on the type of business and the circumstances of the claim. Most types of insurance business are covered for 90% of the claim with no upper limit. Information on compensation arrangements is available from the FSCS via www.fscs.org.uk or calling 0800 678 1100.

Terms and Conditions for the Kingston Unity New 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 unitised with profits whole life assurance for the purposes of providing a new Individual Savings Account (NISA). 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 this fund 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 New Individual Savings Account provider at any time. 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 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.
4. We do not accept any investments in this New Individual Savings Account other than the insurance policy covered by these terms and conditions. However, if other assets existed:
 - a. except for cash deposits and for our insurance policies, the title to the NISA investments will be registered
 - a. in the name of the Society's nominee, or
 - b. jointly in the name of the Society's nominee and you
 - b. except for cash deposits and for our insurance policies, share certificates or other documents evidencing title to NISA investments will be held by us or as we may direct;
 - c. 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 NISA (if the investor receives these automatically this fact should be stated in the NISA terms and conditions);
 - d. 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
 - e. 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 NISA regulations laid down by Her Majesty's Revenue and Customs, a NISA has, or will, become void.
6. 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. We may apply a Market Value Reduction if the surrender is not at the tenth anniversary of the policy in-force date or at every subsequent fifth anniversary of this date.
7. You can take partial withdrawals and encash part of 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. If the encashment is more than 10% of the value of the insurance, we may apply a Market Value Reduction if the surrender is not at the tenth anniversary of the policy in-force date or at every subsequent fifth anniversary of this date.
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 greater of 101% of your contributions received to date or the value of the then current number of allocated units to the Account multiplied by the published unit price on notification of your death to your estate.
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 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.
12. 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.
13. 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.
 - 13a The Board may declare a terminal bonus from time to time which will be applied on maturity or death as a percentage addition to the Value.
14. The Account cannot be assigned to another beneficial owner, nor can any loan be taken out against the value of the Account.

For more information call 01924 240164 or visit www.kingstonunity.co.uk

Kingston Unity

9 Navigation Court, Calder Park, Wakefield, WF2 7BJ. Tel: 01924 240 164 Fax: 01924 242 992

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

Kingston Unity is the trading name of Kingston Unity Friendly Society Limited, an incorporated Society within the meaning of the Friendly Societies Act 1992 (Register 775f). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register 110056.

Investment (Stocks & Shares) NISA Application Form



KINGSTON UNITY
THE FRIENDLY SOCIETY
TRADITIONAL VALUES - MUTUAL BENEFITS

Please complete this form **in block capitals using black ink.**

For further details about the Investment NISA please see the Key Features Document

and Terms & Conditions. If you would like help completing your application, please contact us on **01924 240164**

1 your details

Applicant (to whom all correspondence will be sent)

Title

Surname

Forename(s)

Address

Postcode

Tel. No.

Day

Evening

Email

Date of birth

Male

Female

If you have been at your current address for less than 3 years please use this space below to provide details of your address history for the past 3 years.

Do you have a National Insurance Number? Yes/no

If yes, you must enter it here

You should be able to find your National Insurance number on a payslip, P45 or P60 form, a pension order book or tax return.

2 investment details

If you are applying to transfer a NISA from an existing provider please complete section 2a (and sections 2b and 3 if you wish to also subscribe in this tax year).

If you are applying to open a NISA without transferring from another provider, please complete sections 2b and 3.

2a I apply to transfer an existing ISA from another provider to a:

Investment NISA ☐ (tick box if applicable)

You will also need to complete a transfer instruction for each NISA you wish to transfer to us.

2b

I apply to subscribe to an Investment NISA ☐ (tick box if applicable) for the tax year 20..... - 20..... and each subsequent year until further notice.

If you wish to subscribe in this tax year please also complete section 3.

3 subscriptions

Subscriptions can be made by monthly direct debit and/or lump sum cheque payments and are subject to the overall maximum allowed by the Government.

Please see the attached guidance on the current limits.

● Monthly Payments by Direct Debit

How much do you wish to invest in your Investment NISA each month?

The minimum monthly amount is £25

Payment date (choose one) 1st

16th

subscriptions continued

● Lump sum payment

How much do you wish to invest into your Investment NISA as a lump sum

The minimum lump sum investment is £500

Please make your cheque payable to Kingston Unity. If you use a Building Society cheque or bankers draft, ask the organisation to print your name and account number on the reverse of the cheque and endorse it with their stamp.

4 permission to keep you informed

Information about you will be held by **Kingston Unity** to provide the products and services for which you apply. We would also like to keep you informed of other products and services. Please tick the appropriate boxes if you **DO NOT** wish to be sent information about our products and services by:

mail ☐ phone ☐ email ☐ You can change any of your choices by calling us on **01924 240164**

5 declaration - please ensure you sign and date this section

I hereby apply to subscribe to a Kingston Unity Stocks & Shares NISA. I declare that to the best of my knowledge and belief that the answers given above are true and complete.

I declare that:

- All subscriptions made, and to be made, belong to me
- I am 18 years of age or over
- I have not subscribed and will not subscribe more than the overall subscription limit in total to a cash NISA and a stocks & shares NISA in the same tax year
- I have not subscribed and will not subscribe to another stocks & shares NISA in the same tax year that I subscribe to this stocks & shares NISA and;
- I am resident in the United Kingdom for tax purposes or, if not so resident, either perform duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to, or in a civil partnership with, a person who performs such duties. I will inform Kingston Unity Friendly Society if I cease to be so resident and ordinarily resident or to be married to, or in a civil partnership with, a person who performs such duties.

I authorise Kingston Unity Friendly Society

- To hold my cash subscription, any other proceeds in respect of my NISA investments and any other cash
- To make on my behalf any claims to relief from tax in respect of NISA investments

The Investment NISA is subject to the Key Features and Terms & Conditions. You should read these carefully before signing this application form. If you do not understand any point please ask us for further information. I understand that a copy of this application and rules is available on request. **I agree to the NISA Terms & Conditions.**

I understand that under the current Money Laundering Legislation and other statutory requirements ID verification checks may take place if required, including by electronic means. I authorise such checks.

I declare that this application has been completed to the best of my knowledge and belief. I agree to inform Kingston Unity in writing immediately of any changes in my details.

We will treat you as a 'retail customer' which means that you will receive the highest level of customer protection available under UK financial services rules and regulations.

Client Agreement

I agree to be bound by this Client Agreement, which is a legal agreement, and defines our respective rights and obligations.

Your Rights

You will be treated fairly in all of your dealings with Kingston Unity including:

- The product and associated services will be clearly described, so that you can decide whether it meets your needs
- Being provided with clear and accurate information, during and after the point of sale
- Our dealing effectively with your queries and complaints. We publish our internal complaints handling process on our website www.kingstonunity.co.uk and these are also available on request. In circumstances where you feel your complaint has not been dealt with to your satisfaction, or if we have not been able to give you a final response within eight weeks, then you will have the option of contacting the Financial Ombudsman Service. Their website is www.financial-ombudsman.org.uk.

Your Obligations

- To complete the application to the best of your knowledge and inform Kingston Unity in writing immediately of any changes in your circumstances
- To read the documentation that we will send to you, particularly the Key Features Document and Terms & Conditions

Data Protection

In order to process your application, we must obtain certain information from you. We will also need to maintain certain other records.

- You agree that the information we hold about you can be held electronically and/or in hard copy form.
- You agree that any information we hold about you may be disclosed a) to third parties for the purpose of processing your application and ongoing membership, b) to our Regulators, c) to our Compliance Consultants, d) It will not be disclosed to any other parties (even if related) without your express permission in writing.
- If your plan has been arranged as an advised sale via an IFA, then we will automatically disclose your plan information to them unless you instruct us otherwise. If in future you do not wish to give us permission to disclose your information to your IFA, or if your relationship with your IFA ceases then please advise us.
- If you have been referred to us by an IFA then we will not provide them with any details of your plan information and we will send all documentation directly to you.

For non-direct sales only

- If your plan has been arranged via an IFA, then we will automatically disclose your plan information to them unless you advise us otherwise. If in future, you do not wish to give us permission to disclose your information to your IFA, or if your relationship with your IFA ceases then please advise us.

Please sign and date this declaration.

Applicant's signature **X**

Date

6 Please complete this section if this is a non-advised sale:

Kingston Unity does not give advice in relation to its products and our external and Society introducers are not authorised to give advice. However, you may have received advice from an Independent Financial Advisor in relation to this plan. Where you have received advice from an Independent Financial Advisor, **please do not complete this section.**

I confirm that I have not requested nor received any advice from the Society or its introducers in relation to this product.

Signed: Date:

7 return to us

Please return your completed application to: **Freepost RSJC-BBGE-KSAX, Kingston Unity, 9 Navigation Court, Calder Park, Wakefield, WF2 7BJ**

IFA Ref/Name

How did you hear about us? IFA ☐ KU Agent ☐ KU Website ☐ Other (specify) ☐

Instruction to existing NISA Manager for Transfer of NISA

You (the client) should complete a separate form for each account being transferred.
 When complete please return the form(s) to us at Freepost RSJC-BBGE-KSAX, Kingston Unity, 9 Navigation Court, Calder Park, Wakefield, WF2 7BJ along with your completed application form.

To (Name of existing NISA Manager)

NISA Manager	
Address	
Post Code	

From (Your Personal Details)

Surname & Title	
Forename (s)	
Address	
Post Code	
National Insurance Number	

(Details of Existing Account)

NISA Account Number with Existing Provider	
Enter transfer amount or 'X' to close.	£
For partial transfers please tick if you wish for your current tax year's subscription to be included in the transfer amount. Current year's subscriptions must be transferred in full.	

I wish to transfer the above NISA that I already hold with above NISA Manager to Kingston Unity Friendly Society. I instruct my existing NISA Manager, detailed above, to transfer as indicated to Kingston Unity Friendly Society (my new NISA Manager).

I authorise Kingston Unity Friendly Society

- To hold my cash subscription, NISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash;
- To make on my behalf any claims to relief from tax in respect of NISA investments

I agree to the NISA terms and conditions and declare that this application form has been completed to the best of my knowledge and belief.

Signature		Date	DD	MM	YYYY
-----------	--	------	----	----	------

Instruction to existing NISA Manager - Please ensure that the cheque and NISA transfer documentation is sent to: Kingston Unity Friendly Society, 9 Navigation Court, Calder Park, Wakefield, WF2 7BJ quoting the client's Surname & Forename. Kingston Unity Friendly Society's NISA Reference No is Z1679.

Kingston Unity is the trading name of Kingston Unity Friendly Society Limited, an incorporated Society within the meaning of the Friendly Societies Act 1992 (Register 775f). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register 110056



Service User Number

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

Name(s) of Account Holder(s)

Bank/Building Society account number

Branch Sort Code

Name and full postal address of your bank or building society

To: The Manager

Bank/Building Society

Address

Postcode

Reference Number

FOR KINGSTON UNITY FRIENDLY SOCIETY LIMITED OFFICIAL USE ONLY
This is not part of the instruction to your Bank or Building Society.

Instruction to your Bank or Building Society

Please pay Kingston Unity Friendly Society Limited Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Kingston Unity Friendly Society Limited and, if so, details will be passed electronically to my Bank / Building Society.

Signature(s)

Date _____

Banks and Building Societies may not accept Direct Debit Instruction for some types of account

This guarantee should be detached and retained by the Payer.

The Direct Debit Guarantee

- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit Kingston Unity Friendly Society Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Kingston Unity Friendly Society Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by Kingston Unity Friendly Society Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society
- If you receive a refund you are not entitled to, you must pay it back when Kingston Unity Friendly Society Limited asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us.





A Guide to how we manage our with profits fund

Principles and Practices of Financial Management (PPFM)

This document sets out how the Society manages it's with profit fund and can be obtained on request from head office or by download from our web site. It covers two areas; the principles which are high level statements regarding the long term management of the fund, and the practices which are statements about how we implement the principles. Over time we may amend the principles but if we do this we will write to members to advise them of the changes. If we amend the practices we will write to members at the earliest opportunity to inform them.

This guide aims to provide a simplified version of the main items contained in the PPFM.

What are our guiding principles

- **We manage our with profit fund in a lawful, sound and prudent manner.**
- **We aim to treat all our customers fairly.**
- **We will operate in a manner to enable us to pay all guaranteed benefits when they become due.**

What is the with profit fund

This is an investment fund where your money is combined with that of other customers and then invested in a range of different assets (see section: How is the with Profit Fund invested). The objective is to ensure that on death or maturity you will receive the guaranteed benefit under the policy along with any annual bonus that has been added. Annual bonus is not guaranteed to be paid and may vary, including the possibility of none being paid in a particular year or years, depending upon the investment performance of the fund. Some of our policies may also have a terminal bonus added but again this depends on the funds' performance.

- **Annual bonus** - The rate of bonus is set by the Society's Board after consultation with the With Profits Actuary, usually once every year. It is set by taking into account what the fund can afford both now and in the future to make sure that we can meet all the guaranteed amounts when they need to be paid. Once an annual bonus has been added it cannot be taken away providing the policy runs to maturity.
- **Interim bonus** - This type of bonus may be added if your policy matures during a period for which an annual bonus has not been declared.
- **Terminal bonus** - Any terminal bonus is again agreed by the Board following consultation with the With Profits Actuary. This type of bonus is designed to ensure that the amount that you get back fairly represents the performance of the fund during the period of your investment.

What is an Asset Share

An asset share is calculated by taking into account the premiums you have paid, the investment performance of the fund whilst you have been investing minus the charges that we make to cover expenses. The investment returns credited reflect the level of guarantees on an individual policy. If the guaranteed benefits on a policy are high we have to adopt a safer investment approach in order to meet the guarantee (for example by investing in deposits or fixed interest assets). However where guarantees are low it allows us to invest in assets that may have a higher level of risk attached but over time could be expected to outperform the safer assets to provide a better return.

On average we aim to pay out the full asset share to policyholders but we also use smoothing (see section on smoothing) to make sure that payouts, wherever possible, do not alter significantly from year to year. The Society's Board sets the target range for payouts and these are detailed in the PPFM.

What is smoothing

Smoothing helps to protect policyholders from short term fluctuations in the value of assets within the fund but will not protect from long term and sustained falls in value. We do this by retaining some of the surplus during a good year and distributing a similar amount during a poorer year. It can be used to:

- **Reduce the variation in maturity values between policies maturing at the same time with different contribution levels and type.**
- **Reduce the variation in maturity values at different maturity dates.**
- **Reduce the differences in payouts over time.**

What are charges

Charges are there to cover the expense of selling and setting up the policy, investment and ongoing administration. We assess what these are likely to be over the period of the policy but they can vary. If actual expenses are higher than those shown in the illustration any excess will be charged against the asset share and therefore any future bonus credited.

What happens if you end the policy before it matures

If you want to stop paying the premiums on your policy (another name for this would be surrender) we have to calculate how much to pay you to be fair both to you and the other members remaining in the fund. We do this by using an asset share approach with a target range of 100% though this may vary slightly. Unlike on maturity there is no guarantee that you will receive a certain amount and particularly during the early years you may not get back as much as you have paid in.

What happens if you die before the end of the policy term

You will receive the guaranteed sum assured or fund value depending on the type of policy along with all regular bonus that has been added up to the date of death.

What is a Market Value Reduction (MVR)

At certain times we may apply an MVR to reduce the surrender value of with profit investment bonds and ISA's. We do this to bring the overall payout closer to the asset share when the underlying value of the assets in our fund is lower to ensure that:

- **The surrender value is not unfairly higher than the market value of the assets in the fund.**
- **To protect the remaining members by making sure that a fair share remains.**

We will advise you if we are applying an MVR when you ask for a surrender value but this can change at any time if there is a sudden drop in the value of assets in the fund.

Our with-profit bond has guaranteed MVR free dates at every fifth anniversary and the ISA on the tenth anniversary and each subsequent five years. In addition we do not apply an MVR on death.

How is the With Profit fund invested

The with profit fund is invested in a range of different assets such as shares, property, fixed interest type investments for example Government and corporate bonds and cash. We vary the proportions held in each particular asset class depending upon:

- **The level of guarantees on the fund.**
- **The current and future financial position to ensure that we meet the reasonable expectations of our customers. We aim to maximise the investment return whilst providing a safe route to meeting commitments.**

We operate the fund within an investment matrix agreed by the Actuary and review the percentage of assets held in a particular class formally each year and more frequently when there is volatility in the market. You can find out the split of where the assets are held at a specific time by contacting head office.

Do we have more assets than the total asset shares.

We always hold more assets than we need to pay policyholders to meet the benefits promised to them. These extra assets are sometimes referred to as the 'estate' and this provides the Society with working capital and extra security to cover unforeseen risks. They may also be used to smooth out policy payouts and absorb losses and profits. Over the long term the Society Board will credit or debit any difference in the estate back to or from the asset shares of policyholders.

What risks are there to the With Profit Fund

As the Society does not have shareholders the With Profit members receive the benefits but also bear the risk of running the fund. The main risks to which the fund is exposed are:

- **New business:** The cost of acquiring new business may be higher than the immediate charges that flow from the policy. We manage this by ensuring that the cost of selling and maintaining new business can be supported by the fund without damaging the interests of existing policyholders. This may result in restrictions being made on the amount of new business that we accept during a particular period.
- Any other business ventures that the Society undertakes such as new products or establishing new ways to market our products may be supported by the with profit fund with any profits or losses accruing to the fund. The Board will take advice before approving any activity from the With Profit Actuary who has to report whether such ventures are consistent with our Principles and Practice of Financial Management.
Any profits or losses are normally added to the individual asset share by a smoothed addition or subtraction from the asset share.
- The general risks of carrying out insurance business such as operational or compliance failures.



The full version of our PPFM is available either on request by calling our number or by visiting the website shown below.

For more information call 01924 240164 or visit www.kingstonunity.co.uk

Kingston Unity

9 Navigation Court, Calder Park, Wakefield, WF2 7BJ. Tel: 01924 240 164 Fax: 01924 242 992

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

Kingston Unity is the trading name of Kingston Unity Friendly Society Limited, an incorporated Society within the meaning of the Friendly Societies Act 1992 (Register 775f). Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register 110056.