



Kellogg Employees Credit Union Limited

Newsletter

JUNE 2008 • Patronage Share • Financial Planning • Survey Results
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PATRONAGE SHARE

At the 2008 Annual General Meeting the membership approved 16.5% for distribution back to qualifying members. What does this mean? Here are three scenarios to demonstrate the value your credit union can give back to you.

**Member 1
Borrowing Member**

Mortgage
 Jan 1, 2007 Balance - \$175,295
 Rate 5.5%
Loan Interest Rebate - \$1,518.49

Loan
 Average balance throughout 2007 - \$33,000
 Rate 9%
Loan Interest Rebate - \$484.98

**Member 2
Deposit Member**

Deposit
 Approximately \$300,000 on deposit throughout 2007

Rates - varying rates

Patronage Dividend - \$3,240.19

**Member 3
Deposit Member**

Deposit
 Approximately \$114,000 on deposit Jan 1, 2007

Rate 3.7%

Patronage Dividend - \$732.66

Benefits of the Dividend/Interest Rebates are:

Patronage Share

Savings, more competitive rates, the knowledge that the credit union is looking out for your best interest because we are 'returning the profit back to you'.

Loan Interest Rebate

Lump sum amount deposited to your account for you to spend how you like, more competitive rates, the knowledge that the credit union is looking out for your best interest because we are returning the profit back to you.

What are Patronage Shares?

That's a question we get asked a lot. Patronage Shares were formed by vote of the membership in 1995. There are two reasons we started these accounts: 1) to give back profit to our depositing members 2) to build capital for the credit union. It's the second reason that these accounts cannot be withdrawn until the membership is closed. Some members have a pretty big balance in their patronage accounts so we are looking at a change to our articles of incorporation to allow a portion of these funds to be withdrawn. This change will need a vote from the membership. We will inform you when and if that is going to take place. If you have any suggestions, please let us know.

WELCOME TO OUR NEW BOARD MEMBERS

We are proud to introduce our new board members.

Lorraine Garnham - Chair
 Laraine Wotring - Vice Chair
 (Chair of Audit)
 Carlo Di Loreto (new)

Vicki Gardner
 Al Gibson
 Dave Goddard (new)
 Lois Gosney

NEW STAFF MEMBER

Welcome Laura van den Berg. Laura comes to us all the way from British Columbia and is our newest Member Service Representative. If you have any concerns regarding your account please ask Laura.

Kellogg Employees Credit Union Limited

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FINANCIAL PLANNING

What is Financial Planning?

The aim of financial planning is more than just managing your savings and investments. It's about ensuring that your future lifestyle is as good as it can possibly be. You work hard so why not make sure your money is working as hard as you are!

Whether you are in your carefree 20s, consolidating 30s, comfortable 40s or cruising 50s, the advice of a professional financial planner can be critical in helping you achieve your financial goals by developing a strategy that will work for you.



How can financial advice help you?

Financial advice can make a big difference at every stage of life.

A financial planner can help you with different investment strategies for different circumstances, such as:

- Managing your investments tax effectively
- Saving for a home
- Planning for the costs of marriage and the benefits of combined income and savings
- Making your income go further by investing wisely
- Planning for the birth of children and the loss of a regular salary whilst on maternity leave
- Making the most of your superannuation
- Planning your finances following a redundancy or when changing jobs
- Making the most of a financial windfall, such as an inheritance or a maturing term deposit
- Maximizing your eligibility for government benefits
- Planning the retirement lifestyle you want

Please drop into the Credit Union office if you would like more information about financial planning or retirement planning. Shelly is available during office hours or by email at shelly@kelloggcu.com

CONGRATULATIONS!

Karen Ming has passed her Canadian Investment Funds Course, allowing her to be registered as our newest Credential Asset Management Inc. Mutual Funds Investment Specialist. Please see Karen for all of your Mutual Fund needs.

ANNOUNCEMENT

It is our pleasure to let you know that effective March 17, 2008; Ficanex Services has enrolled Kellogg Employees Credit Union in a new surcharge free ATM network in the United States. Complimenting the existing 190,000+ Exchange network ATMs in the US, this new network identified as No SUR!, is also managed by our US partner, Fiserv EFT.

The new **No SUR!** network has over 900 surcharge free ATMs and all are identified with the No SUR! brand. Kellogg members and customers are guaranteed their withdrawals are **surcharge free** at all of these ATMs and new ATM locations are always being added to No SUR!

You can easily identify these ATMs using the US EXCHANGE/ACCEL ATM locator. Visit the USA locator at <http://www.accelexchange.com/atmLocator.aspx> or while traveling in the US simply look for the No SUR! brand displayed on the ATM.



MORTGAGES

Our lending limits have been increased and many of our members are coming to us to secure their mortgage. We offer fast, reliable, knowledgeable advice on 1, 2 or 3 year fixed-term mortgages and for those of you who can put down 20% of the value of the purchase; we can offer you a MeritLine. These are Line of Credits secured by your home and the starting rate is ½ above prime. Prime right now is 4.75%. Mortgages also qualify for our Loan interest rebate. For 2007 that was 16.5%. Talk to us when your mortgage is coming due or if you are in the process of saving for your down payment. Don't forget that first time home buyers can withdraw up to \$20,000 from RRSP's for the down payment.

SURVEY RESULTS

We did a survey of our members and the results showed us that our members didn't know some of our products that we offer. Here are just some of the products that we offer that members are taking advantage of.

Index-Linked - fixed term deposits that pay a return based on the performance of the S&P/TSX 60 Index. Benefits are 100% principal protection, provincial deposit insurance, RRSP eligible and there are no fees or commission.

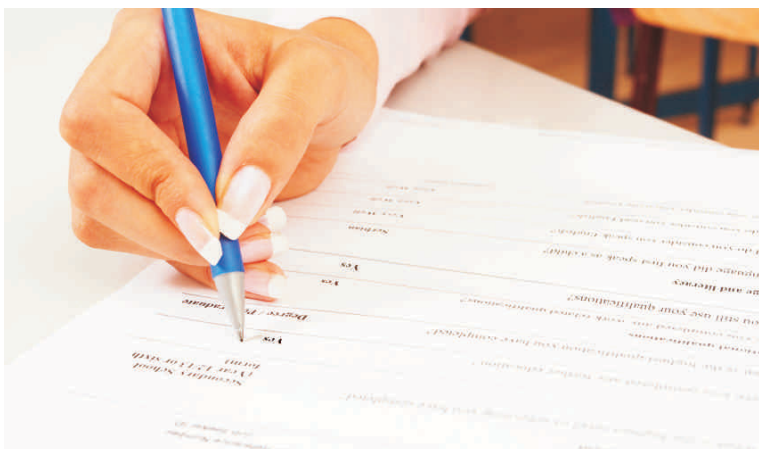
Financial Planning and Investment Advice - We have a Certified Financial Planner and two Credential Asset Management Inc. Mutual Funds Investment Specialists on staff. We are available to help you with all your financial planning needs.

Bonus Savings - High interest savings account. The rate is based on the Canada Savings Bond rate, it's tiered and depending on the balance can earn up to .75% more than the CSB. The funds are available when needed and the account is allowed 1 withdraw per month, service charge free.

RRIF's - Registered Retirement Income Funds available. Once you are ready to start taking income from your RRSP's, they are transferred tax-free to a RRIF. Payments can be set up monthly, quarterly or annually. These products are flexible and earn patronage dividend rebates. We also have locked-in ones that are LIF's as well, we are now offering the LIF Schedule 1.1 which allows you to unlock up to 25% of your locked-in funds.

Insurance products are available from CUMIS (Credit Union Member Insurance Services) they offer life, disability and critical care insurance, home and auto insurance as well as travel insurance. They are credit union owned and a lot of our members find their rates and services to be of great value. For more information drop by the credit union for a pamphlet. or call 1-800-810-CUIS (2847).

Ninety six percent (96%) of our members indicated that they believe that Kellogg Employees Credit Union is a safe place for the management of their financial needs and over 80% of you feel that KECU offers a complete product range. If you have any suggestions on other products that you feel we need, please let us know.



IDENTITY THEFT PROTECTION

Identity theft has become one of the fastest growing crimes in Canada. Here are some helpful tips on how to protect yourself:

- Don't give out more personal information than you need to
- Pay attention to your billing cycles and follow up with your creditors and utility companies if your bills do not arrive on time
- Remove mail from your mailbox promptly after delivery
- Put passwords on your credit card, bank, and telephone accounts. Avoid using obvious information like your birth date, SIN or phone number
- Do not give out personal information over the phone, internet or through the mail unless you have initiated the contact or are certain who you are dealing with
- Shred or destroy sensitive personal documents copies of credit applications before tossing them into the garbage or recycling
- Carry only the ID that you need. Keep all other identification, such as SIN cards, birth certificates and passports, locked in a safe place.

To protect credit union members against the growing threat of identity theft, CUMIS property insurance includes up to \$10,000 for fraud recovery expenses at no extra cost and no deductible.

For more information about auto or home insurance or for a free, no-obligation quote for our extensive coverage including no-charge identity theft protection, to speak with one of our licensed agents please call **1-800-810-2847**.

Mutual Funds are offered through Credential Asset Management Inc.



Youth

Being a young member sure has its benefits. Start to learn the basics of banking and at the same time receive free service charges. Our youth accounts are designed for different age groups, and can help you begin to build your wealth.

Kirby Kangaroo® Club

Targeted for the young savers aged 11 and under, this account offers free service fees on all transactions. Accounts can be in trust or owned by the youth. For those who would like to invest in a term deposit, the minimum deposit is lowered to \$100 to make it easier to get started. Check out our Kirby Kangaroo® Club Games, they are fun and easy to play.

- No service charges
- Interest paid monthly
- No charge for Traveler's Cheques
- Easy ATM/Direct Payment Access - with parents authorization

NCharge® Network

If you are between the ages of 12 and 18 you are eligible for a nCharge® Account. Designed with you in mind, we offer free service charges as well as the opportunity to have a MemberCard®. Whether you want to visit the credit union office to do your banking or complete your transactions at ATM Machines, you have the freedom to do it your way.

- Interest paid monthly
- Personalized cheques
- No service charges for debits, with the exception of Interac and Cirrus
- No charge for Traveler's Cheques
- Easy account access through ATMs and MemberDirect® statements

CYL PROGRAM

Co-operative Young Leaders (CYL) Camp

Every year your Credit Union sponsors a number of our young members between the ages of 14 - 18 to attend Co-operative Young Leaders (CYL) Camp. We are sponsoring two members this year and we received an additional two sponsorships from The Charitable Foundation which means we are sending four of our members to this camp. Past participants say this experience is one they will never forget and are so thankful to have the opportunity. Tia Jones has had the opportunity to attend the camp three times and this year is volunteering her time to be a Camp Leader. Thanks Tia!!

Our CYL participants this year had to write our CYL Committee essays explaining why they would like to attend and why they should be chosen. Congratulations to our past participants Andrew Garnham and Frankie Jones and to our two new participants Rebecca Hartley and Alina Garnham. We hope you too have the time of your life!

CYL Program

Bringing young people from across Ontario together to help them become active members of our communities.



KELLOGG LAY-OFFS

As you know we've experienced shut-downs over the past year and there have been announcements that there are possibly more to come. While your Credit Union is here to help you out during these tough times, it is extremely important for you to be financially prepared. Please see us for budgeting advice before the shut-downs occur so we can help you plan for the future and protect your credit rating. Our hours for the last shut-down were 9am - 1pm. Please be prepared to perform your transactions electronically either via your ATM/Debit card or internet banking.