CREDIT UNIONS ARE SPECIAL

Message from Keith Sultemeier, President & CEO, Kinecta Federal Credit Union

You are an owner of a very special organization, your Credit Union. Not simply because we believe Kinecta offers excellent service, better rates and other advantages to members, but because credit unions, in general, are special.

Credit unions are structured as not-for-profit financial cooperatives where members pool their savings in order to make loans to other members. We are the original peer-to-peer lenders and have been doing it successfully for well over 75 years.

Each member of a credit union is an equal owner. Consequently, members have a say in how we conduct our business. There are no stockholders, so the measure of Kinecta’s success is not earnings per share, but the value we return to our members and communities. We do this by providing better rates on your deposits and loans, and by adding a level of personal attention you are unlikely to find elsewhere. Also, Kinecta and its employees dedicate significant time, talent and funding to provide meals, school supplies, financial education, recycling and much more to local non-profit community organizations and schools.

Credit unions’ status as not-for-profit cooperatives includes both benefits and costs. One of the biggest benefits is exemption from Federal Income Taxes. Instead of paying income taxes, Kinecta returns this value to our members as mentioned above. One of the more significant costs is that credit unions, unlike banks, may not raise capital through any means other than net earnings.

Capital is important because it is what keeps financial institutions safe and secure and allows them to accept deposits and make loans. Roughly one dollar of capital is needed for every ten dollars of deposits. Therefore, to maintain Kinecta’s strong financial condition, accept your new deposits, invest in new member services and meet regulatory requirements for federal deposit insurance, we must achieve a minimum level of capital and net earnings. However, because we have no shareholders or stock analysts demanding that we “maximize” profits, our volunteer Board of Directors, comprised of Credit Union members like you, instead encourages that we return the greatest possible value to members.

Kinecta exists to provide a full range of the highest quality financial products, excellent service, and a comfortable, welcoming place for our members to conduct their financial affairs. After all, that’s what you, the owners of our special organization, deserve and expect.
A FEW DO’S (AND A FEW DON’TS) TO TAKE THE WORRY OUT OF HOLIDAY SHOPPING

With jingle bells starting to jingle, and Old Kris starting to Kringle, the Holiday shopping season is upon us. Selecting special gifts for the special people on your list can be fun and fulfilling. Don’t let fraudsters spoil your holidays.

A few simple precautions will make your holiday season brighter and happier, and save you the time, trouble and expense of sorting out the charges you made from the charges someone else made with your card.

Here are a few simple do’s and don’ts to help keep your holiday happy and fraud-free:

**DO**

- **Look for the ‘s’ at the end of http on every website you place an order with.** The https means that the website is more secure and less prone to hacking.
- **Load your credit or debit card into a payment service such as Apple Pay®.** Not physically presenting your card, helps reduce the potential for fraud, as does the additional layer of security provided by fingerprint recognition on your phone.
- **Use a credit card rather than a debit card for most purchases.** Using a Kinecta Credit Card for purchases will provide greater protection against fraudulent use. If you plan to use your Kinecta Debit Card for purchases, make sure that you do credit transactions instead of PIN. Credit based transactions will give you MasterCard® protection benefits, such as liability protection for unauthorized purchases.

**DON’T**

- **Send your credit or debit card information over a public Wi-Fi connection.** Wait until you get home where your Wi-Fi connection is secure.
- **Use any credit or debit card terminal or ATM that looks odd or different in any way.** Skimmers, which are devices that are placed over or inside the legitimate readers, are a popular way to intercept all of your personal information, including PIN numbers.
- **Click on any links or open any attachments in your emails until you have taken the time to look at the sender’s address and inspect the content of the email to be sure it is from a legitimate retailer or financial institution.

Follow these few simple steps, use common sense and your Kinecta MasterCard, and you’ll have a fraud-free, happy holiday shopping season – just like the ones you used to know!

*Conditions and restrictions apply.

MEMBER FEEDBACK

At Kinecta, we welcome feedback of all kinds. With our ever-present member focus and our drive to provide unexpected experiences, we’ve been hearing a lot of positives. Thank you for the kind words.

“I love having a branch in Westlake Village. The staff there is amazing - they really know their job and they’ve helped me with some difficult questions. I came to them because I knew it would get done right.”

“Mr. Soto makes Kinecta very friendly, very homey, in other words he comes across as being at home. He gives you that personal connection that you really don’t get anymore... He takes the time out and asks if he can help me with anything else, and I like that.”

“(Kinecta is) just one of my favorite places to go. The Torrance Madison Park Kinecta people are very nice, very cordial, and very professional... They take care of you and if they need to recommend someone they recommend them right away.”

“My favorite... branch is Kinecta in Manhattan Beach. Everyone is so friendly; they are like a family to me. All of my loans and banking needs are met here. Management is so kind and reliable. Thank you.”
IT’S ALMOST 2018
DO YOU KNOW WHERE YOUR FINANCES ARE?

The coming of a new year is a terrific time to assess where you stand financially. Maybe you own a house, have a few investments and a 401(k) at work. But, do you have a clear picture of exactly what you own and what it is worth?

Markets have been on a major upswing, so the amount of equity in your home, or the size of your retirement savings may surprise you. But can you keep your finances healthy and growing as market conditions change? Kinecta has so many ways to help, and so many experts to guide you, that a financial review and a consultation with Kinecta can help put you on the road to a secure future.

Don’t forget to review your credit report at least once a year. The higher your credit score, the less you pay for credit. Also, be sure to take a look at your spending in 2017 and prepare a budget for 2018 to keep your spending on track.

Whatever your financial needs, questions, or concerns, Kinecta is here to help.

The end of the year is a good time to talk to the knowledgeable folks at Kinecta about:

- **Investments**¹
  Our Financial Consultants will look at your current investments and provide any level of assistance you may need, from fine-tuning your portfolio to designing a new plan. They’ll help identify retirement goals and develop a plan to work towards those goals.

- **Home ownership**
  Kinecta’s Mortgage Consultants can help you find the perfect loan if you are buying a first home, buying a new home, or looking to refinance your current home to lower your payments or consolidate high interest debt into one manageable payment. We can even help you with your Homeowners Insurance.

- **Insurance**²
  As we progress through life – from being single and renting an apartment, to married with kids, and owning a home; from owning one car, to two, to a car for every family member; our insurance needs change. To be sure your coverage is keeping up with your life, talk to a friendly, knowledgeable Kinecta Insurance Consultant.

Contact us at 800.854.9846 to book a complimentary consultation.

²Insurance products offered through Kinecta Financial & Insurance Services, LLC, subsidiary of Kinecta Federal Credit Union. California Insurance License #065481. Insurance products are not affiliated with LPL Financial.

Insurance and investment products are:

| Not NCUA Insured | Not Credit Union Guaranteed | May Lose Value |

¹Securities offered through LPL Financial. Member FINRA/SIPC. Insurance products offered through LPL Financial or its licensed affiliates. Fixed insurance products also offered through Kinecta Financial & Insurance Services, a subsidiary of Kinecta Federal Credit Union. CA Insurance License #065481. Kinecta Financial & Insurance Services, Member FINRA/SIPC. Provides referrals to LPL Financial. Kinecta Federal Credit Union and Kinecta Financial & Insurance Services are not affiliated with LPL Financial.

STUDENT LOANS – A QUICK GUIDE TO GOOD DECISION MAKING

You, or a loved one, has decided to go to college and the appropriate institution has been selected. So far so good, since a college graduate will make much more than a high school graduate over the course of their respective careers.

But where will the money for this degree come from? Student loans may be a necessary part of the plan. The key is managing the amount of debt incurred, and being realistic about repayment. Good decisions in these areas can make a major difference in your family’s financial life.

Here are important factors to consider as those acceptance letters start rolling in:

What school? Even though there may be a “Dream School” in the mix, the biggest factor in the amount of debt incurred is the cost of the school in question. Consider whether, in your (or your child’s) chosen profession, a degree from a prestigious private school will be worth more than a degree from a state school. If a private school is in the plan, attending a year or two of community college could dramatically cut undergrad expenses.

Is it possible to work? If a relatively low-stress, part-time job is manageable during school, those earnings can go toward education expenses. Even if that money only covers books and incidentals, it represents money that won’t need to be paid back with interest later.

What kind of payment options? Kinecta offers a wide range of student loan payment options. The right payment option will depend on your, or your student’s, ability to repay during college. If work is a possibility, then a payment option with minimal payments due during school will save money overall. If a job is not in the cards, it’s nice to know that a fully deferred payment option is available.

Talk all of these decisions over as a family, and perhaps the family financial adviser. Then make the best choices based on your family’s circumstances. Borrow the least amount possible, and pay it off as quickly as possible. Kinecta will offer support in the form of discounts for automatic payments, rate reductions for on-time payments, and a reduction in principal when graduation rolls around. We want your family to make good decisions and success to follow your student, (or students!) throughout their lives.
Kinecta employees are teaming up to raise awareness and funds for pediatric care, children and adults with special needs and helping others for the holiday season. You can help too! Go to www.kinecta.org and go to the "Kinecta Community" section to help us make a difference.

**UPCOMING COMMUNITY EVENTS:**

**Holiday Food Drive**
We will be collecting donations at all Kinecta and Nix locations for our 44th Annual Holiday Food Drive.

**OCT 23 - NOV 19**

**Skechers Pier-to-Pier Friendship Walk**
Join us in helping to enhance the lives of children and young adults with special needs by supporting the 8th Annual Skechers Pier-to-Pier Friendship Walk on Sunday, October 29.

**OCT 29**

**Holiday Toy Drive**
Help make the holidays a little brighter for a hospitalized child. All Kinecta locations will be collecting new, unwrapped toys to benefit Children's Miracle Network Hospitals.

**NOV 27 - DEC 15**

**UPCOMING EDUCATION EVENTS:**
Real Estate Workshops: October, November

Visit the Events section of www.kinecta.org for locations and more details.

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**PAST KINECTA COMMUNITY EVENTS**

**Back to School Backpack Drive**
In August, employees, Kinecta members, and Nix customers made the first day of school a little easier for Watts and Compton area students with the donation of more than 680 backpacks filled with supplies and distributed during the Back-to-School Community Luncheon.

**Chili Cook-off**
Kinecta employee Chili Teams celebrated its Community Celebration and 5th Annual Kinecta Chili Cook-off by honoring local police and fire departments for their service. The event raised $900, which Kinecta matched bringing the grand total to $1,800. The full amount will be donated to Children's Miracle Network Hospitals.

Of the 22 credit union teams competing in the XDI Chili Challenge, Kinecta’s Trigger Happy Texans placed 3rd and will also donate their $1,500 winnings to the same deserving charity. Everything is big in Texas including these honorary Texans’ hearts.