

## PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## PRODUCT : CHILD SAVINGS PLAN

Offered by MAPFRE MSV Life p.l.c. which forms part of the MAPFRE Malta group. Malta Financial Services Authority (MFSA) is responsible for supervising MAPFRE MSV Life p.l.c. in relation to this Key Information Document. MAPFRE MSV Life p.l.c. is authorised by the MFSA to carry on long-term business under the Insurance Business Act. Registered Address: MAPFRE MSV Life p.l.c., The Mall, Triq il-Mall, Floriana FRN 1470 Malta. For more information you can visit [www.mapfre.com.mt](http://www.mapfre.com.mt), send an email to [info@msvlife.com](mailto:info@msvlife.com), or call on (+356) 2590 9000.

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## WHAT IS THIS PRODUCT?

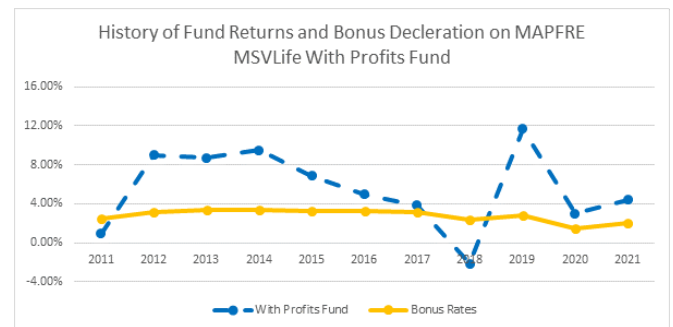
**Type:** Insurance-based Investment Product, With Profits

**Objectives:** The MAPFRE MSV Life Child Savings Plan is a flexible regular contribution plan which aims to help you save for your child in a flexible manner, benefitting from capital growth and providing you with a lump sum by the time the child is 25 years old. Your savings are invested in the MAPFRE MSV Life With Profits Fund, which offers capital guarantees, secure growth and tax-efficient returns. Your money is combined with that of others, and is invested in a mix of assets including fixed-interest securities, property and equities, both in Malta and abroad.

These assets will generate different returns over the years, but the Fund evens out some of the fluctuations in the market by spreading the distributable profits from one year to the next in order to smoothen growth over the long term, offering a measure of security against the daily movements in the stock market. Based on the Fund's profits and outlook for the future, each year the company may declare a rate of bonus which will be added on to your existing savings. In addition, we may also add a Final Bonus upon payment of the Maturity Benefit or the Death Benefit, if your policy has been in force for at least 10 years at the time. You are not liable to pay any tax on these Bonuses under current legislation (although tax legislation may change in future). The amounts you invest (after charges) as well as any bonuses added onto your savings are guaranteed to be paid in full at maturity or on the prior death of the Person Covered.

The Fund is managed by MAPFRE MSV Life in accordance with parameters of established guidelines. The investment objectives and policies adopted by MAPFRE MSV Life aim to preserve the long-term capital value of investments while seeking to maximize the rate of return on the capital invested. Information about the value of your Plan will be available to you upon request. We also send you valuations once a year, after the regular bonus for the previous year is declared.

MSV With Profits Fund Holdings as at 31.12.2022	
Cash & Cash Equivalents	9.0%
Fixed Income	46.0%
Equities	31.2%
Property & Property Related Equity	6.9%
Infrastructure	3.1%
Others	3.8%



*Past Performance is not necessarily a guide to future performance*

**Intended Retail Investor:** This product may be suitable for you if:

- You would like to save on a regular basis towards financial goals for your children, whilst growing your money;
- You are looking for returns which are potentially higher than the average savings account;
- You would like the flexibility to make changes to your contribution amounts or other terms of the Plan should your circumstances change;
- You would like to have access to some of your savings during the Plan's term, maybe to help cover overheads for your child;
- You would like to ensure that the money which you pay into your Plan is guaranteed to be paid back to you upon maturity or earlier death;

**Insurance Benefits:** This is a life insurance product and insurance benefits may become payable during the term. Below is an outline of these benefits.

- **Beneficiaries** may be appointed to receive the benefit directly in case of death if the child is at least 18 years old and is also the Policy Owner.
- **Child Guaranteed Cover Option** is the option of the child to purchase life cover of up to €25,000 when they are between the ages of 18 and 25 without medical evidence. The premium due will be calculated at the normal rate of premium applicable at the time the option is exercised.
- **Death Benefit** is the payment of 101% of your Policy Account which includes, any bonuses accrued to date, should the child pass away whilst the policy is active. This benefit comes at no cost to you.
- **Funeral Expenses Benefit** is a partial pre-payment of the Death Benefit (i.e. is not paid in addition to the Death Benefit) and is subject to a maximum sum of €2,500.
- **Maturity Benefit** means that at the end of the selected period, you have the option to either receive the full value of the Plan as a lump sum, or to continue investing in any plan offered at the time without incurring the costs associated to investing the initial (matured) lump sum.
- **Surrender Benefit** means that you are able to withdraw your money from your Plan, in part or in full, subject to rules and charges applicable at the time of your request.
- **Terminal Illness Benefit** is the payment of up to 75% of the Plan value as a pre-payment of the Death Benefit if the Person Covered is diagnosed to be terminally ill before the Plan finishes.
- **Maturity Date:** You will set the term of your Plan when you first set it up, subject to a minimum term of 8 years. When you reach the maturity date, you can access the full value of your Plan as a lump sum, and may use it as you please. MAPFRE MSV Life is not entitled to terminate the investment before the maturity date without your prior instructions.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### Summary Risk Indicator:



**A** The risk indicator assumes you keep the product until the maturity date. The actual risk can vary significantly if you cash in at an early stage and you may get back less (please refer to the “What are the costs?” section for the early exit penalties). You cash in and you may have to pay significant extra costs to cash in early. The value of your Plan depends on future market performance and is uncertain. The Summary Risk Indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the market or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact our capacity to pay you. You may benefit from a consumer protection scheme (see the section “what happens if we are unable to pay you”). The indicators shown above do not consider this protection.

You are entitled to receive back at least 100% of your capital (net of charges) as well as any bonuses which have been declared and added to your Plan. Any amount over this, and any additional return, depends on future market performance and is uncertain. However, this protection against future market performance will not apply if you surrender your Plan before the Maturity Date.

**Performance Scenarios:** The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The scenarios shown illustrate how your investment could perform. What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances. This product cannot be easily cashed in. If you exit the investment earlier than the recommended holding period you will have to pay extra costs. The basis of calculation of investment return for each survival scenario shown below is prescribed by legislation. The average annual returns illustrated allow for all expected costs, charges and where applicable surrender penalties including the Market Value Reduction applied in each scenario. In contrast, the regular bonus rates shown in your personalised illustration, are presented before any charges and surrender penalties and the exit values illustrated indicate what you might receive based on an assumed range of future bonus rates.

Recommended holding period		15 years		
Investment	€1,000 per year	If you surrender after 1 Year	If you surrender after 8 Years	If you exit after 15 Years
<b>Survival Scenarios:</b>				
Minimum	There is no minimum guaranteed return if you surrender before your selected maturity date. You could lose some or all of your investment.			€14,550
Stress	What you might get back after costs	€ 170	€ 2,300	€ 14,676
	Average return each year	- 83.02%	- 28.90%	- 0.27%
Unfavourable	What you might get back after costs	€ 324	€ 4,094	€ 14,708
	Average return each year	- 67.59%	- 15.16%	- 0.25%
Moderate	What you might get back after costs	€ 444	€ 7,238	€ 16,834
	Average return each year	- 55.59%	- 2.23%	1.43%
Favourable	What you might get back after costs	€ 471	€ 8,007	€ 21,653
	Average return each year	- 52.88%	0.02%	4.46%
<b>Death Scenario:</b>				
Insured event	What your beneficiaries might get back after costs	€ 991	€ 8,358	n/a*
Insurance premium taken over time		€ 0	€ 0	€ 0

Figures are as at 30th March 2022. The above figures allow for future bonus additions in line the company's Bonus Philosophy as applied to each of the performance scenarios. For more information on the Bonus Philosophy, refer to the Important Notes Section on your illustration.

\*The illustrated contract is assumed to mature at the Recommended Holding Period and hence a maturity value would be payable.

### WHAT HAPPENS IF MAPFRE MSV LIFE P.L.C. IS UNABLE TO PAY OUT?

In the unfortunate event of insolvency of a company licensed to carry on Insurance Business in Malta and if the insurer is unable to meet its obligations under the contract, the Policy Owner may be entitled to limited compensation under the Protection and Compensation Fund. The Protection and Compensation Fund is regulated by the Protection and Compensation Fund Regulations 2003 issued under the Insurance Business Act (Cap. 403).

### WHAT ARE THE COSTS?

The **Reduction in Yield (RIY)** shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest €1,000 each year. The figures are estimates and may change in the future.

**Costs Over Time:** The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return).
- €1,000 per year is invested

	If you surrender after 1 year	If you surrender after 8 years	If you exit after 15 years
Total Costs	€ 515	€ 1,748	€ 3,271
Annual cost impact (*)	51.50%	4.81% each year	2.15% each year

Figures are as at 30th March 2022.

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 3.58% before costs and 1.43% after costs.

One-off costs upon entry or exit	Annual cost impact if you exit after 15 years	
Entry costs	These costs are already included in the premiums you pay. This is the most you will be charged. The person selling you the product will inform you of the actual charge.	1.04%
Exit costs	Exit costs are stated as "N/A" in the next column as they do not apply if you keep the product until the recommended holding period.	N/A
Ongoing costs taken each year		
Management fees and other administrative or operating costs	This is an estimate based on actual costs over the last year.	0.82%
Transaction costs	0.29% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	0.29%

Incidental costs taken under specific conditions		
Performances fees and carried interest	There is no performance fee for this product.	0.00%

Figures are as at 30th March 2022.

On the same basis, the additional impact of your insurance premium payments (equivalent to the estimated value of insurance benefits) is 0%. Details of the insurance benefits such as death benefits are in the section "what is this product".

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE OUT THE MONEY EARLY?

**Recommended Holding Period (RHP):** 15 years

The product does not have a minimum holding period as it can be surrendered at any time. The Recommended Holding Period is of 15 years since it is designed to provide conservative, tax efficient regular savings over the medium to long-term, up until the child is 25 years old. The RHP has been established considering that it is adequately long term for achieving financial goals, and because it is also adequate enough to accumulate Terminal Bonuses if these are declared. Whilst a 15 year holding period is generally considered adequate for the type of investment, the most suitable investment horizon depends on your personal circumstances and your ultimate objectives for investing the money.

After you start your Plan, you have 30 days from the policy issue date to request a cancellation and obtain a refund of your contributions. This is known as the "cooling-off period". Whilst the product is designed to help you save as a long term strategy, you may need to access the money earlier than anticipated. You may withdraw your savings, in part or in full, at any time subject to rules applicable at that time. Charges are applicable in the first 10 years as follows:

Year	Surrender Charge Applicable (% of value)
1 to 2	50%
3	30%
4	20%
5 to 10	10%
11 onwards	0%

If you cash in your Plan before its maturity date, we retain the right to effect a MVR in addition to the surrender charge applicable. The MVR cannot be applied upon maturity of the Plan, or in the event of the payment of the Death Benefit. This reduction is designed to protect investors who remain invested, and its application means that you get a fair share of the With Profits Fund in which your savings are invested.

## HOW CAN I COMPLAIN?

We are committed to providing you with a high level of service. It is therefore very important that you inform us when the level of service does not meet your expectations. Should you have any cause for complaints about our services please do not hesitate to contact us. Complaints should be sent in writing, either by email at [complaints@msvlife.com](mailto:complaints@msvlife.com) or by mail at the address indicated in the section "Product", for the attention of The Chief Executive Officer. If you are not completely satisfied with our response you have the right to take your complaint to: The Office of the Arbiter for Financial Services, First Floor, St Calcedonius Square, Floriana FRN1530, Malta. You are advised to consult our Complaints Policy which can be accessed via our website portal at [www.mapfre.com.mt](http://www.mapfre.com.mt). Making a complaint will not affect your legal rights.

## OTHER RELEVANT INFORMATION

For more information, you can refer to the following documents, which are freely available on our website portal at [www.mapfre.com.mt](http://www.mapfre.com.mt):

- The MAPFRE MSV Life Child Savings Plan Key Features Document
- The Simple Guide to the MAPFRE MSV Life With Profits Fund