

# A SIMPLE GUIDE TO THE WITH PROFITS FUND

 **MAPFRE** | MSV Life

 **MAPFRE** | **MSV Life**

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# DID YOU KNOW?

A With Profits savings or investment product can provide a basic savings vehicle to help you get on the right path to reach your financial goals. A With Profits product invests the client's money in a variety of different assets with the aim of increasing the amount overtime.

MAPFRE MSV Life currently manages the largest local With Profits fund in Malta, with a fund size of €1.9 billion as at 31 December 2023.

# ABOUT US

## MORE THAN JUST LIFE INSURANCE...

MAPFRE MSV Life is Malta's leading provider of life insurance protection, long term savings and retirement planning solutions. We are committed to providing a comprehensive range of high quality products and services and in fostering mutually beneficial relationships with our customers, whom we keep at the core of our business philosophy.

MAPFRE MSV Life was formed in 1994 and is jointly owned by Bank of Valletta plc. and MAPFRE Middlesea plc. As at 31 December 2023, MAPFRE MSV Life had 105,000 customers, with more than 139,000 policies. Total funds under management amounted to €1.9bn.



**MAPFRE** | **MSV Life**



What are the benefits of  
With Profits Investments?

**Saving in the MAPFRE MSV With Profits Fund provides you with valuable protection and guarantees, whilst smoothing your investment returns over the medium to long term.**

**1.Capital guarantee**

The amount you invest, after product charges, is guaranteed to be repaid on maturity or on death if it occurs earlier, giving you peace of mind that your investments are safe.

**2.Steady Growth**

These bonuses are also guaranteed once added on to your account, as explained above.

**3.Tax Efficient Return**

Returns from with profits investments are free from tax in the hands of the policyholder\*, providing you with one of the most tax-efficient savings

**4.Optional Annual Income**

You may have the option, based on the type of savings you make, to withdraw your bonus once a year in order to help supplement your income in a tax efficient manner \*.

**5.Potential For a Final Bonus**

If you keep your investments for more than 10 years, your savings may be eligible for a final bonus to increase your returns. This will depend on the actual performance of the fund.

**6.Decide to Whom Benefits Should be Paid**

All with Profits Investments provide you with an option to designate one or more beneficiaries to ensure that the policy pays out quickly and directly to the persons you want the money to go to should you pass away. The process of getting the money to your designated beneficiaries will, as a result, be significantly reduced.

\* based on current tax legislation

A photograph of a family walking away from the camera on a dirt path in a park. A woman in a long, light pink lace dress is on the left, holding the hand of a small child in a white shirt and blue cap. A man in a white t-shirt and blue jeans is on the right, also holding the child's hand. The background is a lush green forest with sunlight filtering through the trees, creating a bokeh effect. A red rectangular box is overlaid on the bottom right of the image, containing white text.

How do we provide these  
benefits?

- Your money is combined with that of others which allows a wider choice of investments, including those which are only available to institutional investors.
- Your money is then invested in a wide range of assets both locally and overseas, giving you access to markets which might otherwise be difficult to reach.
- We declare our annual bonus based primarily on investment returns earned on underlying investments and our outlook for the future.
- The fund is designed to provide steady returns through a smoothing process.
- Our investments include, but are not limited to; Bonds (Government and Corporate), Equities, Property, and Cash. As a 31st December 2023 we held approximately 62% of the fund in what can be considered to be generally low to medium risk investments (cash and bonds).
- We use best-in-class asset managers and have a robust investment and risk management process.
- Our investment strategy is reviewed on a regular basis and asset allocations may vary from time to time.

## **What is Smoothing?**

The process through which we avoid having to make large changes to the bonus rate by holding back some of the investment return in good years to support the bonus rate in times of weaker investment performance.



How does the  
With Profits Fund work?

## YOUR INVESTMENT



Your investment is combined with that of other policyholders.

## THE WITH PROFITS FUND



The investment team uses the combined investments of policyholders to invest in a wide range of assets.



From the returns made within the fund bonuses are declared and distributed to policy holders.

**27.8%** GOVERNMENT BONDS

**25.0%** EQUITY

**27.0%** CORPORATE BONDS

**7.5%** CASH AND EQV.

**6.1%** PROPERTY

**6.6%** OTHERS

Figures are quoted as at 31st December 2023



Is a With Profits  
Investment suitable for  
you?

## **With Profits may be suitable for you if:**

- You are looking for returns which are potentially greater than those received from an average bank savings account or term deposit and don't mind taking a little extra risk with your investment.
- You want to take less risk than investing all your money in single assets.
- You would like to have professionals constantly looking after your savings.
- You will not need access to the money in the next 5 or 6 years, depending on the type of investment you make (single lump sum or regular savings, respectively), other than withdrawals of regular bonuses in the case of lump sum investments.
- You are comfortable that you will not receive a fixed or guaranteed rate of return like a term deposit and that the level of future bonus is not known.
- You understand that charges may apply if you need access to your money before the selected maturity date.

A person is seen from behind, making a heart shape with their hands against a scenic background of mountains and a lake. The person is wearing a black shirt, a yellow wristband on their right wrist, and a black wristband on their left wrist. A yellow bag is visible at the bottom left, and a black backpack with a colorful keychain is on the right. A large red rectangle is overlaid on the lower half of the image, containing the text "Our Performance Record" in white.

# Our Performance Record

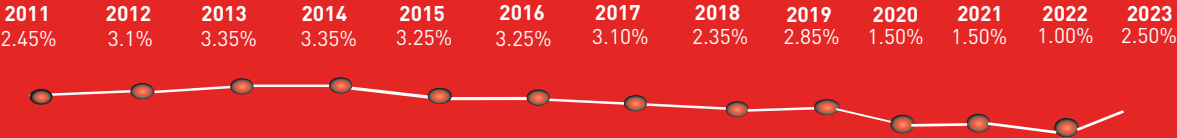
Over the years, we have consistently managed the With Profits Fund to ensure that our policyholders receive a fair and competitive return.

**For 2023, MAPFRE MSV Life declared a Regular Bonus of 2.5% on those Plans which are currently available for new subscription.**

The following table shows the average annual bonus rates paid by the With Profits Fund on its current products.

	2023 [%]	Last 3 Years [%]	Last 5 Years [%]	Last 10 Years [%]
MAPFRE MSV Life With Profits Bonus	2.50%	1.83%	1.97%	2.52%

A history of the bonuses is shown below; however, please be aware that past bonus declarations are not necessarily a guide to future bonus declarations.





How We Can  
Help You..

We offer various With Profits products that help you save or invest in a flexible and secure manner:

- The MAPFRE MSV Life Flexi Plan is a regular savings product to help you save for your medium to long-term goals.
- The MAPFRE MSV Life Child Savings Plan is a regular savings products aimed towards savings for your children's needs.
- The MAPFRE MSV Life Single Premium Plan is a lump sum investment product designed to provide you capital protection and attractive bonus rates.
- The MAPFRE MSV Life Personal Pension Plan With Profits is the ideal product for those wanting to start saving for their retirement. Payments made into these plans can qualify for tax credits too, apart from all the benefits related to the With Profits fund.

# ADDITIONAL INFORMATION

- If you surrender the policy before the date of maturity you may lose some or all of the money you invest.
- You may not access your money before your policy matures.
- A surrender charge may be applied if you cash in the policy early which may have an impact on the amount of money which you receive.
- The bonus figures quoted refer to past bonus declarations and which are not necessarily a guide to future bonus declarations.
- This document has been prepared for general guidance on matters of interest only and does not constitute professional advice. You should not act on information contained in this document without consulting specific product information documents. For further information you may contact us or your preferred intermediary.



## Contact Us

You can invest in our With Profits Fund in a number of ways. For further information contact MAPFRE MSV Life on [info@msvlife.com](mailto:info@msvlife.com) or by calling freephone 8007 2220.

For more details on the cost and benefits please refer to the Key Features Document of the products through which With Profits is available.



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MAPFRE MSV Life p.l.c. (C-15722) is authorised by the Malta Financial Services Authority (MFSA) to carry on long term business under the Insurance Business Act. MAPFRE MSV Life p.l.c. is regulated by the MFSA.