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Monthly Investment Plans

In my view, a Monthly Investment Plan is one of the best ways to start saving, particularly from a young age. To build a savings habit, start by setting a clear goal and deciding what you are saving for, whether it is a new car, a property deposit, an academic qualification, or retirement. Monthly Investment Plans can offer an accessible way to begin saving with a modest amount while gaining exposure to financial markets. A new car, a property deposit, an academic qualification, or retirement. Monthly Investment Plans can offer an accessible way to begin saving with a modest amount while gaining exposure to financial markets.

What is a Monthly Investment Plan and how does it work?

A Monthly Investment Plan offers a simple way to start saving towards a specific goal from as little as €50 per month. When setting up a plan, you can choose the investment vehicle that best suits your risk profile.

There are funds to suit a range of investor needs, including fixed-income funds such as the Vilhena Euro Income Fund, the Vilhena Sterling Income Fund, and the Vilhena High Yield Fund. BOV Asset Management also offers equity-focused funds, including the Vilhena Global Themed Fund, the Vilhena Euro Multi-Manager Fund, and the Vilhena US Multi-Manager Fund. The BOV Portfolio Funds provide exposure to both fixed income and equities across local and global markets.

Before investing in any fund, you should first assess your risk profile. Age is an important consideration when defining your risk profile and investment objective. Generally, the younger you are, the greater your capacity to tolerate risk, which may support the potential for higher long-term returns. Whether you are a conservative or more aggressive investor, there are funds suited to different risk profiles.

What are the advantages of a Monthly Investment Plan?

Monthly Investment Plans are designed to meet consumers' needs by offering a high degree of flexibility. Subject to the minimum monthly investment of €50, you



may increase or decrease your contributions, stop them altogether, or suspend and resume payments at any time, without penalties. You can also keep the plan for as long as needed. Although saving should generally be viewed as a long-term commitment, a Monthly Investment Plan also allows you to withdraw your capital whenever you wish, without providing advance notice.

One of the key advantages of a Monthly Investment Plan is cost averaging. By investing the same amount each month, you purchase fund shares at different prices over time. This means you buy more shares when prices are low and fewer when prices are high. As a result, cost averaging may help reduce the risk of significant losses during market downturns, as the average unit cost can be lower than investing a lump sum at a single point in time.

Funds invest in a diversified portfolio of securities, helping to spread risk compared with investing directly in individual securities. These funds are managed by experienced, qualified portfolio managers. As Monthly Investment Plan contributions are typically processed through a monthly standing order, this approach encourages disciplined saving regardless of market conditions.

Whether you are saving for a major purchase or a long-held dream, this approach can turn small, regular contributions into meaningful financial progress.



Tara Borg
Manager, BOV Asset Management



BOV Asset Management Investment Seminar

BOV Asset Management (BOV AM) recently hosted a seminar at Trident House in Mriehel, bringing together portfolio managers and industry experts to review the Funds managed by the company and set priorities for the remainder of the

year. The session explored market developments, fund performance and the strategic direction for the year ahead. Opening the session, CEO Kenneth Farrugia highlighted the Bank's strong momentum across several business areas and identified investment services as a key opportunity.

Market Outlook

The BOV AM Portfolio Management team delivered an in depth review of global market trends in 2026 and what they expect will shape the market till the end of the year.

Theme	What it Means for Investors	Outlook
Artificial Intelligence	Continued investment in AI, data centres, energy networks and semiconductors remains a major driver of global growth	Positive
Geopolitical Fragmentation	Supply chain resilience and strategic autonomy are becoming increasingly important as global trade evolves	Selective Opportunities
Earnings Strength	Corporate earnings remain resilient, supporting equity markets despite macroeconomic and geopolitical changes	Positive
Fiscal Policy Impact	Government spending continues to support economic growth, although inflation and debt levels remain key considerations	Balanced
Fixed Income Opportunities	Quality bonds continue to offer attractive income potential, with returns increasingly driven by yields rather than capital gains	Positive
Malta Outlook	Strong economic growth and positive local sentiment continue to support opportunities in local equities and bonds	Positive



Portfolio Managers Rachel Meilak and Thomas Brooks, together with Investment Specialist Kristina Vella, provided a detailed review of the foreign equity and fixed income funds. Investment Specialists John Fenech and Brittany Spiteri also presented an in-depth assessment of the BOV Investment Funds and the local market.

Guest presenter Mr Ulrich Gerhard, Senior Portfolio Manager of the Vilhena High Yield Fund at Insight Investments Limited, provided an overview of the Fund and explained the investment process behind its management. He thanked the Bank's representatives for their continued support and noted the Fund's strong progress, with assets under management rising by more than €20 million over the past year.

Guest speaker Mr Joseph Farrugia, Director at StreetHR, delivered an engaging session on customer experience and the role of human interaction in building lasting relationships. He emphasised that customer experience is shaped not by a single transaction, date or interaction, but by the combined impact of every engagement a client has with the Bank.

Mr Peter Paul Cilia provided an update on the performance and development of the BOV Asset Management product range. The continued growth of the product suite reflects the team's focus on delivering relevant solutions that address clients' evolving financial needs. Closing the seminar, Simon Azzopardi, Chief Personal and Wealth Officer, encouraged teams to keep building momentum in a more competitive market by focusing on trust, professionalism and strong client relationships.



Therese Azzopardi
Manager, BOV Asset Management





The Art of Effortless Wealth Management:

The Power of Multi-Asset Strategies

For many individuals, the desire to build a secure financial future can feel at odds with the complexity of modern investing. We are frequently told about the importance of putting our money to work for the long term, yet taking those first steps can be incredibly daunting for a small or inexperienced investor. Navigating global markets requires continuous research, a deep understanding of economic shifts, and the time to monitor a changing landscape. For those who want the benefits of investing but lack the time or specialised knowledge to manage their own mix of stocks and bonds, a multi-asset strategy serves as an ideal solution.

To understand why this approach works so well, it helps to look at the challenges of going it alone. Building a balanced portfolio is much more complicated than simply picking a few familiar companies shares or buying a single government bond. Fixed income investing requires a constant eye on changing interest rates, while stock markets demand rigorous analysis of corporate earnings and sector stability. For someone balancing a busy career or family life, keeping up with these movements is practically a full-time job. More importantly, attempting to manage these details without experience often leads to emotional decisions, such as buying when prices are at their highest or panicking during a temporary market dip.

A multi-asset strategy removes this anxiety by blending a diverse selection of global investments into a single, comprehensive plan. Instead of forcing you to make complex daily decisions, this approach places your journey in the hands of a dedicated professional management team. This structure provides distinct advantages for a developing investor. Global markets move rapidly, and professional managers can make swift, tactical adjustments to protect your capital or capture new growth opportunities that are normally out of reach for individual savers.

The ultimate goal of this disciplined approach is to combine assets that balance each other out. When stock markets face headwinds, higher-quality bonds can provide a natural cushion, helping to smooth out the inevitable ups and downs of the market and creating a much steadier investment experience over the long run.

The ultimate goal of this disciplined approach is to combine assets that balance each other out.

True financial smartness is acknowledging that you do not need to be a market expert to invest like one. Utilising a multi-asset strategy ensures that your hard-earned savings are actively optimised and diversified from day one under professional oversight. By delegating the complex mechanics of portfolio construction to a comprehensive framework, you can confidently build long-term wealth while remaining completely free to focus on what matters most in your daily life.



Adrian Borg
Lead, BOV Asset Management





The High Yield Market

Against a backdrop of elevated macroeconomic uncertainty, geopolitical tensions, trade frictions and broader policy unpredictability, investors remain focused on balancing income generation with prudent risk management. In this environment, high yield markets continue to offer an attractive opportunity set, although selectivity is becoming increasingly important.

A key debate centres on valuations. While some investors are concerned by relatively tight credit spreads and are waiting for more attractive entry points, others are increasing allocations given the high level of absolute yields available. In our view, although spreads remain compressed by historical standards, the combination of attractive all-in yields, resilient corporate fundamentals and supportive market technicals continues to create a constructive backdrop for high yield investors.

Demand remains strong relative to issuance, default rates are low and near-term refinancing pressures appear manageable.

Importantly, the high yield market today looks very different from previous credit cycles.

Importantly, the high yield market today looks very different from previous credit cycles. Credit quality has improved significantly, with BB-rated issuers now representing the majority of the market. At the same time, many of the weakest and most distressed borrowers have migrated towards private credit markets, improving the overall quality of the public high yield universe and helping to keep default rates below long-term averages.

Corporate fundamentals also remain broadly supportive. Many issuers have spent recent years strengthening balance sheets, reducing leverage and extending debt maturities. Margins remain healthy by historical standards, while interest coverage ratios have generally remained robust despite higher interest rates. Companies have demonstrated resilience through a period marked by inflation shocks, aggressive monetary tightening and geopolitical volatility. Increased focus on balance sheet discipline, funding certainty and operational resilience continues to support credit quality across the market.

Nevertheless, risks remain. Geopolitical tensions, particularly in the Middle East, continue to create uncertainty through their potential impact on energy markets and global trade. A sustained disruption to oil supplies or key shipping routes could reignite inflation concerns and tighten financial conditions. While inflation has moderated, it remains sufficiently elevated to keep central banks cautious, raising the possibility that interest rates stay higher for longer.

Against this backdrop, we expect carry and income to remain the primary drivers of return in high yield. With spreads already compressed, the scope for further tightening appears limited. Markets are therefore likely to become increasingly sensitive to company-specific developments and less forgiving of weakening fundamentals. We continue to favour shorter-dated high yield bonds, which have lower sensitivity to interest-rate

movements and provide greater visibility over repayment outcomes. Investors may also benefit from capturing call premiums, providing an additional source of return.

However, even within shorter-dated markets, credit selection remains critical. We are already seeing increasing dispersion across issuers, with stresses emerging in sectors facing structural challenges, rising costs or limited financial flexibility. In this environment, avoiding potential credit "landmines" is just as important as identifying outperformers.

As such, we remain constructive on the asset class but increasingly selective in our positioning. High yield continues to offer attractive income and carry, but we believe future returns will be driven less by market beta and more by disciplined credit selection, sector allocation and active risk management.



Ulrich Gerhard
Senior Portfolio Manager, Insight Investments Limited



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