



## Investment Grade Value Bonds

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### Fund Facts

Strategy	Value Bonds
Risk	Medium
ISIN	LU0264925727
Share Class Currency	EUR
Fund Inception	2-Nov-2006
Fund Manager	Klaus Blaabjerg
Benchmark	Merrill Lynch Global Broad Market Corporate Index (EUR Hedged)
Morningstar Category	Euro Corporate Bond

■ [sparinvest.eu](http://sparinvest.eu)

### Performance

In our last letter to investors we commented on our deliberate overweighting of the largest European subordinated bonds. And there can be no doubt that our continuous belief in the underpriced subordinated financial bonds (with strong documentation) from the biggest European banks has paid off. What's more, despite the recent high returns and fast spread narrowing on subordinated debt, we still expect more to come!

Sparinvest Investment Grade Value Bonds versus selected markets in %	Q1 2010	2009
Sparinvest Investment Grade Value Bonds	11.89	44.66
Merrill Lynch Global Broad Market Corporate Index	2.89	16.22

At the end of March 2010, the return on our benchmark Merrill Lynch Global Broad Market (EUR Hedged) was 2.89% whereas Sparinvest Investment Grade Value Bonds delivered a return of 11.89%.

### Portfolio valuation and composition

The team behind the fund still find Sparinvest Investment Grade Value Bonds attractively priced with an effective yield of 7.25% relative to 4% for our benchmark.

The fund appears attractive for the long-term investor and consists of 43 positions with an overweight of European bank capital.

*For more details, please visit [Sparinvest.eu](http://Sparinvest.eu).*

**Klaus Blaabjerg**  
Lead Portfolio Manager  
12 April 2010

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