

SPARINVEST SICAV
Société d'investissement à capital variable - société anonyme
Registered office: 2, Place de Metz, L-1930 LUXEMBOURG
R.C.S. Luxembourg: B 83.976
(the "Company")

**NOTICE TO SHAREHOLDERS OF THE SUB-FUND
SPARINVEST SICAV - VALUE BONDS 2018 - 50/50**

Luxembourg, 13 August 2018

Dear Shareholder,

The Company's prospectus foresees for the sub-fund SPARINVEST SICAV - VALUE BONDS 2018 - 50/50 that the board of directors of the Company (the "**Board**") will decide before the maturity date being 31 December 2018 whether this sub-fund will be liquidated, prolonged for a new term or contributed to another sub-fund of the Company.

The Board has decided to merge this sub-fund and the other fixed maturity sub-fund "Sparinvest SICAV - High Yield Value Bonds Short Duration 2018" (the "**Merging Sub-Funds**") into the sub-fund "SPARINVEST SICAV - VALUE BONDS - SHORT DATED HIGH YIELD" (the "**Receiving Sub-Fund**") as this is considered to be in the best interest of the shareholders.

The Merging Sub-Funds have, except for the fixed maturity date, a similar investment objective and policy. For efficient fund management purposes, the assets of the Merging Sub-Funds and the Receiving Sub-Fund shall be amalgamated so that, following the merger, shareholders of all sub-funds will benefit from the merger in terms of economies of scale.

This notice provides important information, including the reason for and details of the merger to be carried out in accordance with applicable Luxembourg laws, the date of the merger, how it will affect you and the choices you have. Also attached is the relevant Key Investor Information Document ("**KIID**") of the Receiving Sub-Fund, which should be carefully read by shareholders.

At the effective date of the merger, the shares of the Merging Sub-Funds will be automatically exchanged for shares in the Receiving Sub-Fund as described in this notice. A merger statement confirming the number and price of the new shares in the Receiving Sub-Fund will be sent within two (2) business days to the shareholders of the Merging Sub-Funds.

Shareholders, who do not wish to have their shares exchanged at the effective date of the merger, may switch, free of conversion charges, to any other sub-fund of the Company or redeem their shares, free of redemption charges, until 14 September 2018 at 5 p.m. by sending a conversion or redemption request to the Company's registrar and transfer agent European Fund Administration (Luxembourg) S.A. Fax: +352 48 65 61 8002.

A copy of the merger report issued by the Company's auditor, the common merger proposal as well as the statement of the Company's depositary bank are available upon request and free of charge.

Please contact Sparinvest S.A. for further information or in case of questions.

On behalf of the board of directors of the Company

Summary

This section outlines key information relating to the merger as it concerns you as a shareholder. Further information is contained in the Detailed Sub-fund Comparison that follows as well as in the prospectus and relevant KIIDs.

Merging Sub-Funds	Sparinvest SICAV - High Yield Value Bonds Short Duration 2018 Sparinvest SICAV - Value Bonds 2018 - 50/50
Receiving Sub-Fund	Sparinvest SICAV - Value Bonds - Short Dated High Yield
Management Company	Sparinvest S.A.
Merger date	21 September 2018
Background and reasons for merger	<ul style="list-style-type: none"> • Merging Sub-Funds will not be able to continue under the current terms due to their approaching maturity date • Economies of scale • Receiving Sub-Fund will exploit same value drivers (roll down effect) as the Merging Sub-Funds, and is constructed to do it continuously • Adequate benchmarking will be possible for the Receiving Sub-Fund, as it has a benchmark for performance measurement purposes

Impact

Key differences in investment policy between the Merging Sub-Fund and the Receiving Sub-Fund	<ul style="list-style-type: none"> • No fixed maturity date for Receiving Sub-Fund • Constant short duration for the Receiving Sub-Fund • Ongoing rebalancing of portfolio to exploit roll-down effect in the Receiving Sub-Fund
Potential benefits	<ul style="list-style-type: none"> • Growth in assets • More efficient fund management • Economies in scale • Exploit roll-down effect to a larger extent
Potential disadvantages	<ul style="list-style-type: none"> • The Receiving Sub-Fund has redemption fees for all share classes. • On the Merger Date and four (4) business days before that, it will not be possible to subscribe for, switch or redeem shares in the Merging Sub-Funds. • Rebalancing: after 17 September 2018, about 90% of each portfolio of the Merging Sub-Funds will be sold due to the maturity of the underlying bonds. The portfolios of the Merging Sub-Funds will hence mainly consist of cash prior to the Merger. The Management Company will calculate a best estimation of actual trading costs that will be incurred in the Receiving Sub-Fund as a result. Such estimation of actual trading costs will be included into the respective last net asset value of the Merging Sub-Funds.
Tax considerations	<ul style="list-style-type: none"> • For German investors, the merger will be tax neutral. A confirmation about the tax neutrality will be issued by the Company's tax advisor and can be obtained upon request.
Other considerations	<ul style="list-style-type: none"> • The Merging Sub-Funds and the Receiving Sub-Fund are managed by the same team of the Investment Manager. • No rebalancing of the portfolio of the Receiving Sub-Fund will be required in connection with the merger. • Any legal, advisory or administrative costs associated with the preparation and completion of the Merger will be borne by the Management Company. • Performance information for the Merging and Receiving Sub-Funds can be found in the relevant KIID or factsheet which is available at sparinvest.lu • We recommend that shareholders seek independent tax and investment advice before making any final decision about their holdings affected by the merger.

Timeline

14 September 2018 at 5 p.m.	Before this cut-off time, it will be possible to switch or redeem shares free of charge.
17, 18, 19 and 20 September 2018	On these four business days, it will not be possible to deal in the Merging Sub-Funds.
21 September 2018	<ul style="list-style-type: none"> The merger transaction is carried out. All the assets, liabilities and any accrued income in the Merging Sub-Funds will be transferred to the Receiving Sub-Fund and the Merging Sub-Funds will cease to exist. Shares in the Merging Sub-Funds are exchanged free of charge for shares in the equivalent share class of the Receiving Sub-Fund, based on the net asset value per share as of 20 September 2018 for the relevant Merging Sub-Funds and the Receiving Sub-Fund. The calculation of the exchange ratio will be audited and documented in the merger report prepared by Deloitte Audit, the approved statutory auditor for the Company and will be available upon request and free of charge. The total value of the shares of the relevant Merging Sub-Fund and the new shares in the Receiving Sub-Fund will be the same but there might be a difference regarding the number of shares.
As from 24 September 2018	As an investor in the Receiving Sub-Fund, it is possible to switch and redeem the new shares and subscribe for additional shares in the Receiving Sub-Fund.

Detailed Sub-Fund Comparison

The table below compares the relevant KIID language of the relevant Merging Sub-Fund and the Receiving Sub-Fund. It indicates where the KIID language is the same and where it differs. Unless stated otherwise, terms used in this table have the same meaning as in the Company's prospectus.

Sparinvest SICAV - Value Bonds 2018 - 50/50 (the Merging Sub-Fund)	Sparinvest SICAV - Value Bonds - Short Dated High Yield (the Receiving Sub-Fund)
EUR R - LU1189263665	EUR R - LU1599093520
EUR RD - LU1189263749	EUR RD - LU1599093793

Objectives & Investment Policies

Language that is different between the sub-funds

Sparinvest SICAV - Value Bonds 2018 - 50/50 (the Merging Sub-Fund)	Sparinvest SICAV - Value Bonds - Short Dated High Yield (the Receiving Sub-Fund)
The maturity date of the Fund is 31 December 2018.	The Fund may invest in bonds of any maturity, though the targeted bonds will generally have a maturity of 3 to 5 years.
The Fund invests over the medium term at least 2/3 of its total net assets in corporate bonds. The Fund invests up to 49% of its total net assets in emerging markets corporate bonds and at least 50% of its total net assets in investment grade corporate bonds, and up to 50% of its total net assets in high yield corporate bonds.	The Fund invests at least 2/3 of its total net assets in high yield corporate bonds. The Fund is a global fund and may invest in all regions, including emerging markets. There are no limitations to industry and sector.

Language that is the same in both sub-funds

The Fund may, to a limited extent, invest in non-rated bonds, contingent convertibles (less than 10% of the total net assets) and/or in liquid assets and/or in regularly traded money market instruments.
The strategy focuses primarily on bonds issued by companies with strong balance sheets that offers an attractive yield due to mispricing by the market. In addition and to a smaller extent, the strategy focuses on generating excess return from investing in either smaller issues or issuers and from investing in bonds the markets finds less attractive.

The Fund may invest in equities or equity-like securities.
The Fund normally uses currency derivatives to protect the portfolio against currency fluctuations.
As an investor in this Fund you get diversification and professional management of your investments. Sparinvest monitors your investments for you.
You can buy and sell your shares on Luxembourg full bank business days.

Risk and Reward Profile

	Sparinvest SICAV - Value Bonds 2018 - 50/50 (the Merging Sub-Fund)	Sparinvest SICAV - Value Bonds - Short Dated High Yield (the Receiving Sub-Fund)
SRRI	Category 3 (for all share classes)	Category 3 (for all share classes)

Charges

Charges that are different between the sub-funds

	Sparinvest SICAV - Value Bonds 2018 - 50/50 (the Merging Sub-Fund)	Sparinvest SICAV - Value Bonds - Short Dated High Yield (the Receiving Sub-Fund)
Exit charge	0.00%	2.00%

Charges that are the same in both sub-funds

Entry charge (for retail share classes)	3.00%
Ongoing charges EUR R	1.37%
Ongoing charges EUR RD	1.37%
Performance fee	None