

## Sparinvest in short

Founded in 1968 in Denmark, and with pan-European operations in Luxembourg since 2001, Sparinvest is an international asset manager, owned by a broad range of Danish institutional shareholders who support the group's independence and prudent investment strategy. The group is known as a specialist in value investment – both for equity and bond funds but also offers a wide range of other strategies based entirely on academic evidence of long-term success. These proven outperformance strategies include: strategic asset allocation, Danish bonds, small-cap investment and momentum.

### Our Mission

Our mission is to deliver outstanding long-term performance, through a systematic and objective approach to investment which considers risk before reward. We are all committed to this goal.

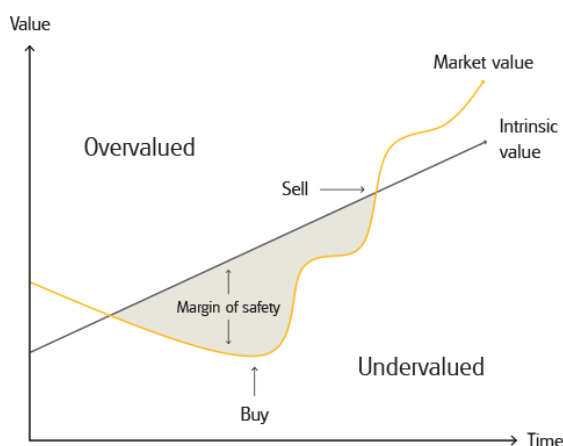
### Value Specialists for Equities and Bonds

We have taken the value strategy that was developed by Benjamin Graham for equity investments in 1930's America; we apply the strategy to global equity and bond markets.

Our value equities strategy places emphasis on achieving a 'margin-of-safety' by buying shares at a considerable discount.

### Our Strengths

- Long-term focus and outstanding products
- Dedicated value specialists in equities and bonds
- Proven performance record across all strategies
- Academic and systematic approach to investment
- Risk-focused and style-consistent
- Disciplined and transparent processes
- Our actively managed funds predominantly use a bottom-up analysis process
- Driven by strong corporate values
- Independent firm



### Responsible Investment

Sparinvest signed the United Nations Principles for Responsible Investment in 2009 and is a member of the sustainable investment forums Eurosif and Dansif. We have now achieved the formal integration of environmental, social and governance (ESG) risk factors into our already risk-focused investment analysis process and becoming active asset owners (meaning voting on all issues and active dialogue on selected ESG issues).

## Sparinvest SICAV

A Luxembourg-domiciled fund authorised for pan European marketing in 14 countries.

Group Assets Under Management September 2018: € 11.6 bn.

## Sparinvest's Strategies

### Value Equities

**Buying undervalued companies with a 'margin of safety'.**

Sparinvest aims to provide investors with diversified portfolios of around 100 stocks from financially robust, including smaller companies, bought at a considerable discount and held until they reach intrinsic value.

Developed in 1930's America by Benjamin Graham, value investing aims to find companies whose balance sheet strength is not accurately reflected in their share prices which – because undervalued at the point of purchase – have scope to rise and, at the same time, offer investors a 'margin of safety' against permanent capital loss. Numerous academic studies have confirmed value as the equity investment style most likely to deliver excess returns over the longer term.

### Fixed Income

**Investing to maximise opportunities from different duration profiles.**

Sparinvest's Long Danish Bond fund (adjusted duration 6-9 yrs) invests in Danish government bonds and Danish mortgage bonds which offer unique outperformance potential.

Denmark's historically robust mortgage market is highly rated and offers excellent diversification benefits. Sparinvest does not believe that it is possible to forecast interest rates and therefore follows a policy of clearly-defined duration in fixed-income with clearly-labelled 'long' or 'short' funds that aim to maximise the opportunities for their defined durations.

### Ethical Investment

**Independent ethical screening decides exclusions for our ethical funds.**

Our ethical funds follow our successful value and our responsible investment strategies but additionally offer screening by

Ethix SRI Investors to exclude companies on the basis of violations of global norms: environmental protection, human rights, labour standards and anti-corruption or operations in controversial sectors: gambling, alcohol, tobacco, pornography and weapons.

### Value Bonds

**Value and size are also outperformance factors in the credit market.**

The aim is to provide corporate bond fund portfolios that can deliver better risk-adjusted returns than those seeking higher yields from the lower end of the credit spectrum.

In 2005, Sparinvest launched the first Value Bonds fund in Europe. Its strategy is founded on academic research showing that credit markets are subject to the same size and value factors that are markers for excess returns from equity markets. Based on the value approach the bond selection focusses on bonds issued by companies with healthy long-term earnings power and strong balance sheets as well as an expected ability to service outstanding debt.

### Strategic Asset Allocation

**Aiming for best returns from least risk.**

The aim is to create investment portfolios that are methodically blended in order to achieve the best returns for the least amount of risk, while maintaining a constant exposure to securities markets.

Based on the Nobel Prize-winning theories of Harry Markowitz and William Sharpe, strategic asset allocation accepts that economies have their ups and downs (and that market timing is an impossibility) but works with this knowledge to select combinations of assets that behave so differently that they cancel out each other's risks without affecting each other's performance prospects.

Sparinvest's strategic asset allocation policy places a deliberate emphasis on value, small cap and momentum investment opportunities.

All Sparinvest's strategies are fully described at [sparinvest.eu](http://sparinvest.eu).