

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 - ETHICAL HIGH YIELD VALUE BONDS**

Luxembourg, 7 March 2018

Dear Shareholder,

The board of directors of the Company (the "Board") has decided to merge the sub-fund SPARINVEST SICAV - ETHICAL HIGH YIELD VALUE BONDS (the "Merging Sub-Fund") into the sub-fund SPARINVEST SICAV - VALUE BONDS - GLOBAL ETHICAL HIGH YIELD (the "Receiving Sub-Fund"), as this is considered to be in the best interest of the shareholders.

During the period 2015 to 2016, the Merging Sub-Fund experienced performance difficulties due to a combination of high concentration risk towards specific regions/sectors and very low market liquidity. In 2015, a new investment team was established, and they have since been working on improving the investment processes and implementing a revised risk framework with the aim of having a risk/return profile more aligned with the broader market. The revised investment strategy was finally implemented in June 2016. In order to avoid any misinterpretations of historical performance and the revised investment strategy, the Receiving Sub-Fund was launched.

Instead of liquidating the Merging Sub-Fund, the Board decided to merge it with the newly launched Receiving Sub-Fund having the same overall investment strategy so that investors can continue their shareholdings in the Receiving Sub-Fund. The Merging Sub-Fund's past performance reflects that the revised investment strategy has resulted in improved performance, both in absolute and relative terms. The Board is of the view that the Receiving Sub-Fund will continue on the same track.

3 years past performance of Sparinvest SICAV - Ethical High Yield Value Bonds EUR R  
(05.12.2014 - 05.12.2017)



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-Fund 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-Fund.

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 17 April 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-Fund                  | Sparinvest SICAV - Ethical High Yield Value Bonds   |
| Receiving Sub-Fund                | Sparinvest SICAV - Value Bonds - Global Ethical High Yield  |
| Management Company                | Sparinvest S.A.   |
| Merger date                       | 20 April 2017   |
| Background and reasons for merger | <ul style="list-style-type: none"> <li>• Since 2015, a new investment team worked on improving the investment processes and implemented a revised risk framework for the Merging Sub-Fund</li> <li>• To avoid misinterpretations of historical performance, Receiving Sub-Fund was launched in 2017</li> <li>• Expected track record of Receiving Sub-Fund will be more representative for Merging Sub-Fund due to the implementation of a revised investment strategy and risk framework by a new investment team</li> </ul> |

## Impact

|  |   |
|--|---|
| Key differences in investment policy between the Merging Sub-Fund and the Receiving Sub-Fund | <ul style="list-style-type: none"> <li>• None</li> </ul>  |
| Potential benefits   | <ul style="list-style-type: none"> <li>• Growth in assets: attract new investors to benefit existing investors</li> <li>• Economies in scale</li> </ul>   |
| Potential disadvantages  | <ul style="list-style-type: none"> <li>• On the Merger Date and two (2) business days before that, it will not be possible to subscribe for, switch or redeem shares in the Merging Sub-Funds. The trade of the listed shares of the Merging Sub-Funds will be suspended during this period.</li> </ul>   |
| Tax considerations   | <ul style="list-style-type: none"> <li>• 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.</li> </ul>   |
| Other considerations   | <ul style="list-style-type: none"> <li>• The Merging Sub-Fund and the Receiving Sub-Fund are managed by the same team of the Investment Manager.</li> <li>• No rebalancing of the portfolio of the Receiving Sub-Fund will be required in connection with the merger.</li> <li>• Any legal, advisory or administrative costs associated with the preparation and completion of the Merger will be borne by the Management Company.</li> <li>• Performance information for the Merging and Receiving Sub-Funds can be found in the relevant KIID or factsheet which is available at <a href="http://www.sparinvest.lu">www.sparinvest.lu</a></li> <li>• We recommend that shareholders seek independent tax and investment advice before making any final decision about their holdings affected by the merger.</li> </ul> |

## Timeline

|                         |   |
|-------------------------|---|
| 17 April 2018 at 5 p.m. | Before this cut-off time, it will be possible to switch or redeem shares free of charge.  |
| 18 and 19 April 2018    | <ul style="list-style-type: none"> <li>On these two business days, it will not be possible to deal in the Merging Sub-Fund.</li> <li>The trade of the listed shares on the stock exchange will be suspended.</li> </ul>   |
| 20 April 2018           | <ul style="list-style-type: none"> <li>The merger transaction is carried out. All the assets, liabilities and any accrued income in the Merging Sub-Fund will be transferred to the Receiving Sub-Fund and the Merging Sub-Fund will cease to exist.</li> <li>Shares in the Merging Sub-Fund 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 19 April 2018 for both sub-funds. The calculation of the exchange ratio will be audited and documented in the merger report prepared by Deloitte Audit, the auditor for the Company and will be available upon request and free of charge.</li> <li>The total value of the shares of the 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.</li> </ul> |
| As from 23 April 2018   | As a shareholder 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.   |

## Sub-Fund Details

The table below shows the share classes of the Merging Sub-Fund that will merge into the respective share classes of the Receiving Sub-Fund.

| Sparinvest SICAV - Ethical High Yield Value Bonds (the Merging Sub-Fund) | Sparinvest SICAV - Value Bonds - Global Ethical High Yield (the Receiving Sub-Fund) |
|--|---|
| EUR R - LU0620744002   | EUR R - LU1735613934  |
| EUR RD - LU1276826408  | EUR RD - LU1739245188   |
| EUR W R - LU1616401748   | EUR W R - LU1739245261  |
| EUR R X - LU1276826580   | EUR R X - LU1739245345  |
| EUR I - LU0620744770   | EUR I - LU1735614072  |
| CHF R - LU1276826747   | CHF R - LU1739245691  |
| DKK R - LU1276826820   | DKK R - LU1735614155  |
| DKK W R - LU1616402043   | DKK W R - LU1739245774  |
| SEK R - LU0842468240   | SEK R - LU1739245857  |

## Sub-Fund Comparison

The tables below compare the relevant KIID language of the 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.

## Objectives & Investment Policies

The language is the same in both funds

|   |
|---|
| The Fund applies an ethical screening which may exclude certain securities from investment. Screening criteria have reference to involvement in controversial activities such as the production of alcohol, gambling, tobacco, pornography and military equipment, oil sands and thermal coal.  |
| The Fund invests at least 2/3 of its total net assets in high yield corporate bonds.  |
| 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 is a global fund and may invest in all regions, including emerging markets.  |
| 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 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 - Ethical High Yield Value Bonds<br>(the Merging Sub-Fund) | Sparinvest SICAV - Value Bonds - Global Ethical High Yield<br>(the Receiving Sub-Fund) |
|------|---|--|
| SRRI | Category 4 (for all share classes)  | Category 3 (for all share classes)   |

## Charges

The charges are the same in both sub-funds

|                                    | Sparinvest SICAV - Ethical High Yield Value Bonds<br>(the Merging Sub-Fund) | Sparinvest SICAV - Value Bonds - Global Ethical High Yield<br>(the Receiving Sub-Fund) |
|------------------------------------|---|--|
| Entry charge (retail)              | 2%  | 2%   |
| Entry charge (institutional)       | 0%  | 0%   |
| Exit charge (retail/institutional) | 0%  | 0%   |
| Ongoing charges EUR R              | 1.64%   | 1.64%  |
| Ongoing charges EUR RD             | 1.64%   | 1.64%  |
| Ongoing charges EUR W R            | 1.20%   | 1.20%  |
| Ongoing charges EUR R X            | 1.02%   | 1.02%  |
| Ongoing charges EUR I              | 1.00%   | 1.00%  |
| Ongoing charges CHF R              | 1.67%   | 1.67%  |
| Ongoing charges DKK R              | 1.67%   | 1.67%  |
| Ongoing charges DKK W R            | 1.24%   | 1.24%  |
| Ongoing charges SEK R              | 1.68%   | 1.68%  |
| Performance fee                    | None  | None   |