

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 - GLOBAL ETHICAL HIGH YIELD**

Luxembourg, 7 March 2018

Dear Shareholder,

The board of directors of the Company 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**").

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 assets of the Merging Sub-Fund and the Receiving Sub-Fund shall be amalgamated so that, following the merger, shareholders of both sub-funds will benefit from the merger in terms of economies of scale.

The portfolio of the Merging Sub-Fund includes the following positions, which the investment manager considers illiquid based on a conservative assessment:

ISIN of the security	Name of the security	Weight
NO0010709199	11.00% Northland Resources AB 2016	0.03%
NO0010673866	3.21% Island Offshore Shipholding LP/Norway 2018	0.02%
XS0558618384	9.50% Yuksel Insaat AS 2015	0.02%

The investment manager recommends keeping these positions in the portfolio, as it is in the best interest of shareholders. These bonds have no liquidity risk on the relevant net asset value in case of a fire sale and it is possible that the disposal of the bonds at a later stage will result in a better return due to the conservative valuation.

The merger will be carried out on 20 April 2018 in accordance with applicable Luxembourg laws (the "**Merger**").

Main impact of Merger	<ul style="list-style-type: none"> • None
Potential benefits	<ul style="list-style-type: none"> • Growth in assets • Economies in scale
Potential disadvantages	<ul style="list-style-type: none"> • None
Other considerations	<ul style="list-style-type: none"> • 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 Sparinvest S.A.. • Performance information for the Merging and Receiving Sub-Funds can be found in the relevant KIID or factsheet which is available at www.sparinvest.lu • We recommend that shareholders seek independent tax and investment advice before making any final decision about their holdings affected by the merger.

Shareholders, who do not wish to keep their investment in the Receiving Sub-Fund following the Merger, may convert their shareholding to a different sub-fund or redeem their investment free of charge until 17 April 2018 at 5 p.m..

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