

New Sparinvest Fund Offers Unique 'Value Bonds' Approach to Emerging Markets Corporate Debt.

Danish Sparinvest has today announced the launch of Sparinvest Emerging Markets Corporate Value Bonds - a fund which will apply the group's proven 'Value Bonds' investment strategy to the rapidly-expanding emerging markets credit universe. The fund also offers investors a new route to investment in emerging markets via an asset class that is gaining in popularity worldwide because of its ability to reduce portfolio risk - and enhance long-term returns - through diversification.

Luxembourg, 15.09.2010 Sparinvest's new Emerging Markets Corporate Value Bonds fund (ISIN LU0519053697) is designed to help investors to boost their exposure to the high-growth emerging market economies while, at the same time, reducing investment risk through diversification into a new asset class. The introduction of corporate bonds into a portfolio consisting mainly of equities and/or sovereign bonds has been scientifically proven to reduce the overall level of risk.

In addition, investors can benefit from Sparinvest's unique 'value' approach to corporate bond investment which aims to keep default risk to a minimum and has resulted Sparinvest High Yield Value Bonds fund being a top performer in its sector over the past three years.

With 85% of the world's population and nearly half of the world's economic output, emerging markets are growing rapidly in importance and investors have been quick to recognise this by adjusting the regional exposure of their portfolios in favour of these high growth economies. So far, however, they have achieved their emerging market exposure by buying into the traditional asset classes - equities and sovereign debt. This is why they should consider the attractions of emerging market corporate bonds, says Lead Portfolio Manager, Sune Jensen

"Corporate bonds have an attractive risk/return profile that - historically - outclasses both equities and government bonds over the longer term. So you can see the logic for holding them alongside traditional asset classes as a means of diversifying emerging markets exposure. Investors without corporate bonds in their emerging market portfolio are really missing a trick ... and the trick is more performance potential."*

*(For risk return characteristics of different asset classes, see appendix Figure 1)



Press release
15 Sept 2010

On average, emerging market corporate bonds currently trade at a significantly higher spread than developed market corporate bonds, meaning that they offer a considerable investment premium. But above all, it is the fact that so many emerging market corporate bonds exhibit 'value' characteristics that interests joint Portfolio Manager, Toke Hjortshøj:

"To a value investor, obvious pricing anomalies represent obvious investment opportunities," says Hjortshøj. "In the emerging markets, we find companies that are doing business internationally, using high quality and transparent accounting standards. They have similar capital structures to their mature market competitors but better growth prospects and lower debt burdens. Yet, when they try to raise finance in the credit markets, they find that they must offer higher yields simply because of where their Head Office is located. That's a situation that will surely change over time - and early investors will reap the rewards."

Global demand for assets offering strong yields and portfolio diversification benefits is set to continue. Emerging market corporate bonds are attractive for all of these reasons. Sparinvest believes that its 'Value Bonds' investment strategy can offer investors an important emphasis on default avoidance, coupled with long-term outperformance.

"Our whole focus is on achieving higher returns for less risk", says Hjortshøj. "So our aim is not to go for the highest yield but to seek the best risk-adjusted return. Our strategy achieves this by identifying bonds with attractive yields issued by companies with low gearing".

The fund offers both retail and institutional share classes.

Sparinvest Value Bonds strategy

To read more about the academic foundation for this unique approach to corporate debt investment, please follow the link: <http://emc-valuebonds.sparinvest.eu/>

- Ends -

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About Sparinvest:

Founded in 1968, Sparinvest is one of Denmark's leading independent asset management companies, managing and advising on assets valued at over €8.3 billion (as at 1st September), including one of the largest equity funds in Denmark.

Owned today by broad range of institutional shareholders, Sparinvest has the freedom to pursue its own investment philosophy and style with a view to providing 'prudent investments' for its clients.

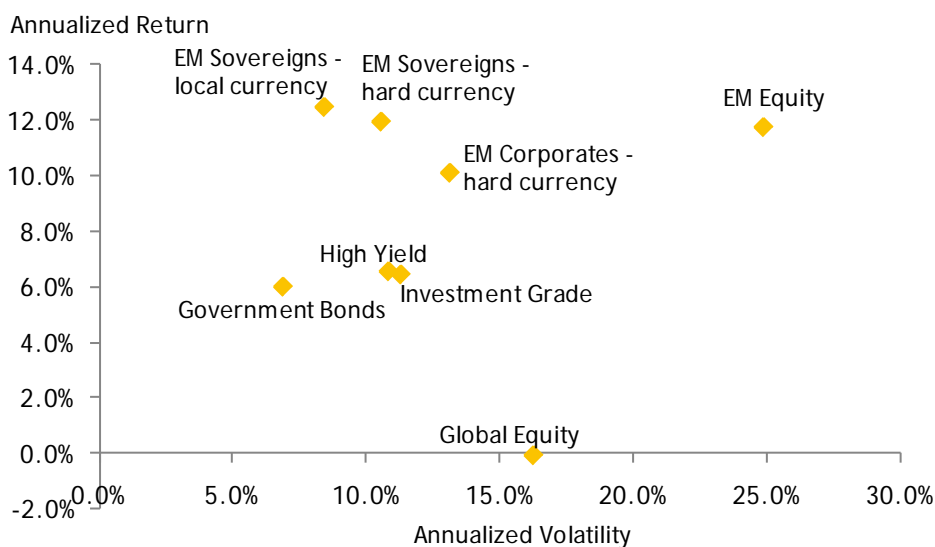
In 2001, Sparinvest S.A. was established in Luxembourg and a number of Luxembourg-domiciled funds were created for the purpose of pan-European distribution. The Sparinvest SICAV, a UCITS III-compliant umbrella fund is now authorised for distribution in 16 European nations.

Sparinvest has established an excellent reputation within the investment industry for the success of its strategic asset allocation approach when constructing portfolios for investment mandates and because of its outstanding track record in value investment.

Sparinvest signed the UN Principles for Responsible Investment in December 2009.

Appendix

Figure 1 Risk return profiles of different asset classes



Source: ML Global IG, ML Global HY, ML EM Corp, ML Pan European Government Bonds, JPM GBI-EM, MSCI/Bloomberg World Index & EM Index. All indices are USD denominated. The return and volatility on EM Sovereigns - local currency is based on the period January 2002 to December 2009. The rest is based on the period January 1999 to December 2009.

