

Sparinvest - European Small Cap Value fund is launched today

Sparinvest has today announced the launch of a new sub-fund within the Luxembourg-domiciled Sparinvest SICAV. Sparinvest European Small Cap Value (ISIN LU0256591552) was launched in 2006 by Atrium Asset management (acquired by Sparinvest in March) and thus enters the SICAV with a pre-existing 5-year track record. Sparinvest believes that, as a result of the Euro crisis, small companies based in Europe have been indiscriminately priced down and now offer a rich hunting ground for bargain hunters.

Luxembourg, 03.10.2011. A new sub-fund today joins the Luxembourg-domiciled umbrella fund, Sparinvest SICAV. Originally named Atrium Value Partner SICAV European Small Cap, the fund was established in June 2006 by Atrium Asset Management (the small Danish value specialist acquired by Sparinvest in March 2011). The fund was the European carve-out of a considerably larger EUR 44 million Danish fund managed according to the same strategy. Now re-named Sparinvest European Small Cap Value, the fund retains its ISIN code (ISIN LU0256591552) and management team, Karsten Løngaard and Lisbeth Søgaard Nielsen who continue to jointly manage the 'new' fund as part of Sparinvest's 10-strong Value Equities team. The fund enters the SICAV with a 5-year track record.

Whilst Sparinvest is a long term investment specialist with no belief in 'market timing' it nevertheless believes that the prospects for this fund at this time are excellent because of recent heavy selling trends in European Stock markets.

"We're calling it the 'zip-code Europe bargain bonanza'," says Jens Moestrup Rasmussen, Head of the Sparinvest Value Equities team.

"With the Euro-zone macro worries dominating the headlines every day, investors are suddenly treating any company with a European postcode as though it's in terminal decline. Across the board, European equities are priced



as though all companies had suddenly had 30% of their earnings power wiped out forever. There are genuine bargains out there, especially in the small cap sector, and we're busy snapping them up as and when investors regain their risk appetites."

For Jan Stig Rasmussen, Managing Director of Sparinvest in Luxembourg, the launch of Sparinvest's fifth value equities sub-fund is meaningful in a wider industry context because it demonstrates how companies that run a tight ship can make strategic acquisitions during times of economic crisis.

"We have been delighted to welcome Karsten Løngaard and Lisbeth Søgaard Nielsen into our value equities team. Their integration into Sparinvest has been quick and seamless, because they share our value investment philosophy. Thus in acquiring Atrium in March, Sparinvest has bought relevant expertise, reduced domestic competition and added to assets under management. We could not have achieved any of this if we had not been as prudent in running our business as we are in investing money."

Sparinvest European Small Cap Value fund invests for positive long term returns using Sparinvest's 100% bottom up value equities strategy to discover value investment opportunities arising in the small and micro cap (as defined by MSCI) segment of the equity markets of EU member states plus Norway and Switzerland. The fund seeks to buy shares in companies offering the following features:

- Easy to understand business models and financial statements
- Ability to generate stable cash flow and returns on invested capital
- Financially strong balance sheets
- Trading at a minimum share-price-to-intrinsic-value discount of 40%.

Portfolio Characteristics at Launch:

ISIN Code: LU0256591552 R
Launch Date: 22nd June 2006



Size:	EUR 2.67m	
Subscription fee:		3%
Top 5 holdings:	Aareal Bank AG	6.1%
	Wash Tec AG	5.3%
	Wolford AG	4.8%
	Derby Cycle AG	4.8%
	Haldex Group AB	4.6%
Geographical split:	Euro Countries 74.2%, Non-Euro Countries 25.5%, Eastern Europe, Emerging 0%	
Top 3 sectors:	Consumer Goods	32.5%
	Industrial Materials	27.5%
	Business Services	10.3%

Sparinvest is a UN PRI signatory. ESG risks are analysed alongside financial risks during the valuation stage of the investment process.

- Ends -

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About Sparinvest:

Founded in 1968 in Denmark, and with pan-European operations in Luxembourg since 2001, Sparinvest is an international asset management company, authorised to operate within the framework of UCITS IV by the Luxembourg CSSF. The group is known as a specialist in value investment - both for equity and bond funds. Sparinvest is owned by a broad range of Danish institutional shareholders who support the group's independence and prudent investment strategy, focused on providing competitive risk-adjusted long-term returns. As a natural step to further enhance its risk-focused approach, Sparinvest signed the United Nations Principles for Responsible Investment in 2009 and has now integrated environmental, social and governance (ESG) risk factors into the investment process for all its actively-managed funds. At end September 2011, Sparinvest managed €9 billion on behalf of private and institutional investors. More information at www.sparinvest.eu

