

Morningstar: Sparinvest Global Value Fund takes silver

The Sparinvest Global Value Fund has achieved a rate of return amounting to **89.63 percent** in the five-year period since its launch. So, just in time for its fifth birthday, the fund sits at number two out of **97 funds** investing in the small cap sector, according to a recent investigation by ratings agency Morningstar.

Luxembourg, 20.12.2006 – The silver medal has been taken by the Global Value Fund of Danish investment firm Sparinvest. With a rate of return of 89.63 percent, the fund took second place among its peers in the small cap sector. This was the result arrived at by rating agency Morningstar (key date 14.12.2006). The international investment fund was set up five years ago, on 14.12.2001 (ISIN: LU0138501191).

"A comparison with the other international investment funds shows that our long-term-oriented value investment method is already paying off in the mid-term," says Jan Stig Rasmussen, CEO of Sparinvest in Luxembourg. "The reason for our success lies in the fact that we do not jump on the bandwagon with every short-lived investment method, and we are not taken in by hype and froth - such as the IT boom at the end of the nineties. Instead, we rely on scientific findings, according to which we rigorously align our investment processes."

Capital preservation takes priority over fantastic yields

The fund invests worldwide in undervalued stocks, usually belonging to companies with low or medium market capitalisation, irrespective of the industry or the country. The only limitation being that fund manager Jens Moestrup Rasmussen will only buy stocks with a market price at least 40 percent below their intrinsic value as analysed by Sparinvest. Rasmussen consistently sells as soon as the stock in question reaches its intrinsic value.

"For us, security comes ahead of fantastic yields. We concentrate on capital preservation," explains Rasmussen. "We want to achieve positive earnings in the long term, in every market situation, without aligning ourselves to a benchmark. So risky investment manoeuvres are strictly taboo for us." The turnover rate of the Global Value Fund only amounts to 10 percent of the portfolio, compared with over 70 percent in the case of conventional global investment funds. The advantage lies in low costs, which do not eat into earnings.

Japanese and German workhorses

The high-yield elements of the portfolio in the last five years have primarily been German and Japanese stocks. "When the economy in Germany reached its low point three years ago, we managed to buy blue-chip shares such as MAN or Volkswagen at a bargain price," says Rasmussen. The same applies to Japan. There too the fund management team filtered out some valuable shares at a favourable price, and is today enjoying sizeable profits.

"In spite of the occasional overweighting of German and Japanese shares, it is important not to forget that our main concern is to achieve a balanced yield-to-risk ratio. For that reason, our prime imperative is to diversify the portfolio according to the principles of strategic asset allocation."

Key data of the Global Value Fund

Global Value (LU0138501191) is a mirror fund of "Value Aktier", the biggest equity fund in Denmark, which Jens Moestrup has been managing since 1997. It is one of three sub-funds that are authorised for sale in 13 European countries under the umbrella of Luxembourg-based Sparinvest SICAV. The volume of the fund now amounts to EUR 679.75 million (as of 14 December 2006).

The company

Sparinvest was established by a savings bank group in 1968, as the first investment fund company in Denmark. Since it was established, over 90 shareholders such as local banks, insurance companies and pension funds have taken a holding in the company. The Luxembourg subsidiary of Sparinvest has been expanding its marketing activities throughout Europe since 2001.

Over 30 funds, designed for institutional and private investors, are currently managed by the Sparinvest Group. They are marketed in 13 European countries. Total investment volume amounts to more than EUR 14.5 billion.

Press enquiries:

Britta Wulff • public imaging • Agentur für Investor Relations und Public Relations GmbH
Goldbekplatz 3-5 • D-22303 Hamburg • www.publicimaging.de
Tel.: +49 (0)40 19 99-27 • Fax: +49 (0)40 19 99-10 • wulff@publicimaging.de