

Sparinvest

Sub-fund of Luxembourg domiciled Sicav - Part 1

Report Issued: January 2009

Peer Group:

Global Mainstream Equities

Fund Manager/Adviser:

Jens Moestrup Rasmussen (since launch)

Location:

Copenhagen

Launch Date: December 2001

Fund Size (November 2008):

US\$875.63m, €691.97m

Group Contact No:

+352 262 7471

Website:

www.sparinvest.eu

S&P ID Number: OS503701

Share class screened:

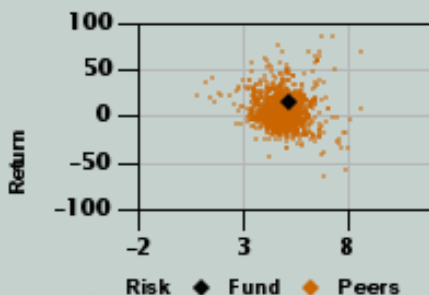
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INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

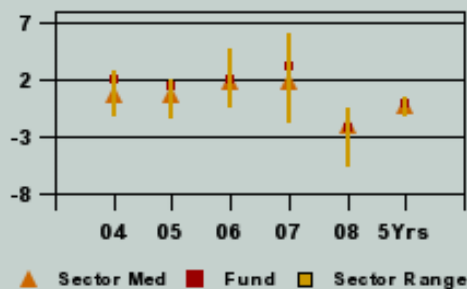
RISK RETURN (STD DEVIATION) OVER 5 YEARS



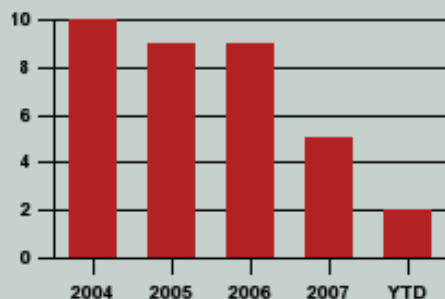
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-52.9
Volatility	Medium	20.9
Correlation	High	1.0
Beta	Medium	1.2

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

All statistical data on this report has been run to 31/10/2008 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (DECEMBER 2008)

The past 18 months have been tough for this bottom-up value-oriented fund. Like many value investors, it suffered as markets became dominated by growth and momentum, leaving it lagging the sector median in 2007 and ranking within the bottom quartile in 2008 to November. This has dragged the fund's three-year ranking to the bottom quartile, but thanks to consistently strong returns before 2007, helped by a bias to Europe and small-caps, its five-year record remains strong.

Jens Moestrup Rasmussen is an experienced investor, supported by a high-quality team comprising two experienced portfolio managers and three analysts. Two of the analysts are Japanese speakers and were recruited within the past 12 months to increase the team's scope for analysis within the region. Although the team lost portfolio manager Thomas Bastrup in October 2008 (as he

moved into an organisational role within the group), there remains a strong sense of continuity - the three remaining senior team members have worked together on the fund since 2004.

The process uses quant screens to guide the team's in-depth fundamental analysis. While the team has a pragmatic approach to valuing stocks, the overall focus on valuations, in particular to find quality companies trading at a 40% discount to business value, instils discipline and consistency to the process.

Despite recent underperformance and the loss of Bastrup, we continue to have a high regard for the team, which has recently been strengthened. It has shown skill and consistency in its approach, allowing the fund to retain an S&P AA rating.

FACT FILE

Group: Originally founded as a mutual fund company by a group of Danish savings banks in 1968, Sparinvest is now an asset management firm owned by a broad range of over 90 institutional shareholders. Assets under management (€7bn) and consultancy (€8bn) have grown rapidly over the past decade.

Team: This fund is managed by Sparinvest's value equity team based in Copenhagen. The team is headed by Jens Moestrup Rasmussen and comprises three experienced portfolio manager/analysts and three analysts.

Fund Manager: Jens Moestrup Rasmussen joined Sparinvest as an equity analyst in 1997 from KOB, the Danish credit rating agency. He has managed money since 2000 and headed the equity team since 2001.

Style: A classic Graham & Dodd approach to value-based, bottom-up stock selection, focusing on out-of-favour quality companies.

Performance: Over the five years to 31/10/2008, the fund has returned 14.6%, compared with 2.8% for the sector median and 13.3% for the index, ranking 328/1693.

FUND MANAGER & TEAM

Sparinvest's Copenhagen-based Value Equity team comprises three portfolio manager/analysts and three analysts. Team head Jens Moestrup Rasmussen and the two other portfolio manager analysts have been together on the fund since 2004, with the three analysts all joining in 2007. Together they are responsible for €2.4bn assets under management (as of end-October 2008).

Jens Moestrup Rasmussen - MSc economics (Copenhagen University), joined the Sparinvest equity team in 1997 from the Danish credit rating agency, KOB. He began managing money in 2000 and has been head of equities since 2001.

Kasper Jacobsen - MSc economics (Copenhagen Business School), started his career as a credit analyst at Danish rating agency KOB in 1993, before moving Danish business daily Dagbladet Børsen. He joined Sparinvest in 2000 and joined the value team in 2004.

Per Kronberg Jensen - MSc economics (Aarhus University), joined Sparinvest as an analyst in 2004 to focus on developing valuation models.

PORTFOLIO CHARACTERISTICS

No. of holdings	95
Turnover ratio (%)	N/A
% in top 10	29

TOP 10 HOLDINGS (01/11/08)

	%
Nippon Telegraph & Tel.	4.2
Msig Holdings	3.6
J Sainsbury	3.5
Hutchison Whamp/Hk0.25	3.4
AP Moeller - Maersk A/S B	3.3
Douglas Holding Ag	3.2
Royal Philips Electr./Eur 0.2	2.9
Fujifilm Holdings	2.6
Frankfurt Airport Serv.Worldw.	2.5
Gunma Bank	0.0

* In top 10 holdings a year ago

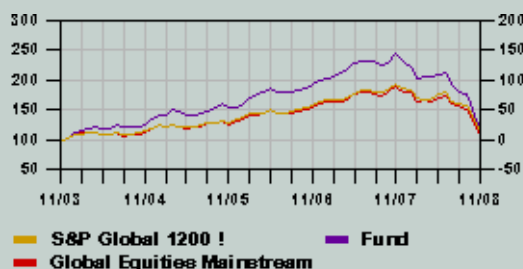
ALLOCATION BREAKDOWN (01/11/08)

	Fund %
Basic materials	9.0
Cash	1.0
Consumer goods	23.0
Consumer services	7.0
Financials	19.0
Healthcare	0.0
Industrials	22.0
Oil & gas	1.0
Others	6.0
Technology	8.0
Telecoms	4.0
Utilities	0.0

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-25.2%	14.6%
Standard & Poor's Peer Median	-17.9%	2.8%
Index**	-12.3%	13.3%
Fund Rank	1701/2004	328/1693
Standard Deviation	20.9	-
Relative Standard Deviation	1.1	-
Volatility Adjusted Ranking	1599/2004	-

CUMULATIVE PERFORMANCE



SPINVEST SICAV - GLOBAL VALUE FUND

Peer Group: Global Mainstream Equities



MANAGEMENT STYLE

- This fund is managed in a traditional Graham & Dodd approach, seeking quality companies that are trading at a significant discount to their intrinsic value, but have a viable catalyst to unlock that value.
- Value screens are applied to a universe of some 22,000 stocks to help guide the team's in-depth stock analysis. This is pragmatic, using a number of different criteria (P/B, PCF, P/E ratios, enterprise multiples and net debt to equity) to calculate intrinsic value, with the overriding objective to find quality companies trading at a discount of at least 40%. A database of over 400,000 corporate takeovers is used to help assess takeover value.

- Stock selection is constructed from the bottom-up, with no attention to benchmark weights. Country and sector positioning can deviate significantly from that of the benchmark MSCI World index.

- Risk is controlled primarily by buying high quality companies - no more than 50% net debt to equity - and only buying when there is a considerable margin of safety in the price. The minimum market cap is limited to \$150m.

- The fund invests in developed markets but can take small positions in emerging market companies.

PORTFOLIO REVIEW

With a slight increase in holdings over the past 12 months, the portfolio was well-diversified across 95 holdings (up from 92 last year).

The valuation-focused bottom-up approach continued to result in some considerable deviations from the MSCI World benchmark. Only nine of the 95 holdings were found within the US, resulting in a continued underweight to the region (4% against 55%). This was mainly due to unattractive valuations, but concerns over the country's accounting practices also prevented investments.

As has been the case for several years, more ideas were found within Europe and Japan, which both remained heavily overweight. With 60% of the fund overlapping with the small-cap value fund also run by the team, the bias to lower market cap stocks was maintained with just under half the portfolio invested in small- (21%) and mid-caps (25%).

The largest overweights were to consumer discretionary and industrials, while the largest underweights were to healthcare and energy.

PERFORMANCE ANALYSIS (NOVEMBER 2008)

The fund's five-year track record remains impressive, ranking top decile within our peer-group. However, the past 18 months have seen a considerable drop in relative returns, with the fund lagging the median fund in 2007 and falling to the bottom quartile in 2008 to November. Like many bottom-up value-oriented investors, the fund struggled to cope in growth and momentum-driven markets. The bias to small-caps and more recently to Europe have been negative.

For several years before mid-2007, the fund's value style, small-cap tilt and heavily overweight Europe position benefited from favourable market conditions, flattering performance to some extent.

However, strong returns against our value benchmark, S&P/Citi EMI World Value index, since launch and peer-relative outperformance in 2006 despite a heavy overweight to a declining Japanese market, suggest the team has added value on top of conducive style and small-cap conditions.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2004		2005		2006		2007		YTD 31/10/2008	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	27.2	53/1714	14.0	291/1841	26.9	323/2054	9.7	1248/2331	-48.5	2202/2569
Index**	14.9		10.2		21.5		10.2		-38.0	
Median	13.6		9.4		21.2		10.2		-42.8	

** S&P Global 1200

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