

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 - ETHICAL HIGH YIELD VALUE BONDS"**

Luxembourg, 17 August 2015

Dear Shareholder,

The board of directors of the Company has decided to merge the sub-funds "SPARINVEST - HIGH YIELD VALUE BONDS" and "SPARINVEST - ETHICAL HIGH YIELD VALUE BONDS" (the "Merging Sub-Funds") into the sub-fund "SPARINVEST - CORPORATE VALUE BONDS" (the "Receiving Sub-Fund") following an overall analysis of the fund range by Sparinvest S.A., the management company, with the aim of optimizing and streamlining the fund range.

The Merging Sub-Funds have almost the same investment objective and policy as well as a similar portfolio. Although only one of the Merging Sub-Funds applies the ethical screening, both Merging Sub-Funds are compliant with the ethical criteria. The investment objective and policy of the Receiving Sub-Fund resembles the one of the Merging Sub-Funds and it will be adjusted at the merger in order to reflect Sparinvest's high yield value bonds strategy. For efficient fund management purposes, the assets of the Merging Sub-Funds and the Receiving Sub-Fund shall be amalgamated so that, following the merger, shareholders of all three sub-funds will benefit from the merger in terms of economies of scale.

This notice provides important information, including the reason for and details of the merger to be carried out in accordance with applicable Luxembourg laws, the date of the merger, how it will affect you and the choices you have. Also attached is the relevant draft Key Investor Information Document ("KIID") that describes the Receiving Sub-Fund as from the effective date of the merger.

At the effective date of the merger, the shares of the Merging Sub-Funds will be automatically exchanged for shares in the Receiving Sub-Fund as described in this notice. A merger statement confirming the number and price of the new shares in the Receiving Sub-Fund will be sent within two (2) business days to the shareholders of the Merging Sub-Funds.

Shareholders, who do not wish to have their shares exchanged at the effective date of the merger, may switch, free of conversion charges, to any other sub-fund of the Company or redeem their shares, free of redemption charges, until 22 September 2015 by sending a conversion or redemption request to the Company's registrar and transfer agent European Fund Administration (Luxembourg) S.A. Fax: +352 48 65 61 8002.

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

## Summary

This section outlines key information relating to the merger as it concerns you as a shareholder. Further information is contained in the Detailed Sub-fund Comparison that follows as well as in the prospectus and relevant KIIDs.

Merging Sub-Funds	Sparinvest - High Yield Value Bonds Sparinvest - Ethical High Yield Value Bonds
Receiving Sub-Fund	Sparinvest - Corporate Value Bonds
Management Company	Sparinvest S.A.
Merger date	25 September 2015
Background and reasons for merger	<ul style="list-style-type: none"> <li>Cost efficiency, benefit from larger scales</li> </ul>

## Impact

Key differences in investment policy between Sparinvest - Ethical High Yield Value Bonds and the Receiving Sub-Fund	<ul style="list-style-type: none"> <li>None</li> </ul>
Potential benefits	<ul style="list-style-type: none"> <li>Growth in assets</li> <li>More efficient fund management</li> <li>Economies in scale</li> </ul>
Potential disadvantages	<ul style="list-style-type: none"> <li>On the Merger Date and two (2) business days before that, it will not be possible to subscribe for, switch or redeem shares in the Merging Sub-Funds. The trade of the shares of the Merging Sub-Funds will be suspended during this period.</li> </ul>
Tax considerations	<ul style="list-style-type: none"> <li>For German investors, the merger will be tax neutral. A confirmation about the tax neutrality will be issued by the Company's tax advisor and can be obtained upon request.</li> </ul>
Other considerations	<ul style="list-style-type: none"> <li>Although the investment policies are similar, some rebalancing of the portfolio of the Receiving Sub-Fund will be required in preparation for the merger.</li> <li>Any legal, advisory or administrative costs associated with the preparation and completion of the Merger will be borne by the Management Company.</li> <li>Performance information for the Merging and Receiving Sub-Funds can be found in the relevant KIID or factsheet which is available at <a href="http://sparinvest.lu">sparinvest.lu</a></li> <li>We recommend that shareholders seek independent tax and investment advice before making any final decision about their holdings affected by the merger.</li> </ul>

## Timeline

22 September 2015 at 5 p.m.	Before this cut-off time, it will be possible to switch or redeem shares free of charge.
23 and 24 September 2015	On these two business days, it will not be possible to deal in the Merging Sub-Fund. The trade of the shares of the Merging Sub-Funds will be suspended.
25 September 2015	<ul style="list-style-type: none"> <li>The merger transaction is carried out. All the assets, liabilities and any accrued income in the Merging Sub-Fund will be transferred to the Receiving Sub-Fund and the Merging Sub-Fund will cease to exist.</li> <li>Shares in the Merging Sub-Fund are exchanged free of charge for shares in the equivalent share class of the Receiving Sub-Fund, based on the net asset value per share as of 24 September 2015 for both sub-funds. The calculation of the exchange ratio will be audited and documented in the merger report prepared by Deloitte Audit, the auditor for the Company and will be available upon request and free of charge.</li> <li>The total value of the shares of the Merging Sub-Fund and the new shares in the Receiving Sub-Fund will be the same but there might be a difference regarding the number of shares.</li> </ul>
As from 28 September 2015	As an investor in the Receiving Sub-Fund, it is possible to switch and redeem the new shares and subscribe for additional shares in the Receiving Sub-Fund.

## Detailed Sub-Fund Comparison

The table below compares the relevant KIID language of the Merging and the Receiving Sub-Fund. It indicates where the KIID language is the same and where it differs. Unless stated otherwise, terms used in this table have the same meaning as in the Company's prospectus. Please note that the comparison is based on the updated KIID of the Receiving Sub-Fund as it will be applicable from the merger date.

Sparinvest - Ethical High Yield Value Bonds (the Merging Sub-Fund)	Sparinvest - Corporate Value Bonds (the Receiving Sub-Fund)
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### Objectives & Investment Policies

Language that is different between the sub-funds

Low rated bonds are with a rating below Baa3/BBB- by Moody's, Standard & Poors or any recognized credit rating agency.	Low rated bonds are with a rating below Baa3/BBB- by Moody's, Standard & Poor's or Fitch.
They are traded on stock exchanges or regulated markets within OECD countries, EU member states, Singapore and Hong Kong.	They are traded on exchanges or regulated markets within OECD countries, EU member states, Singapore or Hong Kong.
	The Fund may invest up to 30% of its total net assets in non-rated bonds.
	Up to 15% of the Fund's total net assets may be invested in corporate bonds in less developed countries. Emerging markets are defined as countries that are not classified as developed countries, according to MSCI market classification.

Language that is the same in both sub-funds

The Fund invests at least 2/3 of its total net assets in low rated bonds of companies that are not involved in controversial activities, such as production of alcohol, gambling, tobacco, pornography and military-related equipment and services. A 5% tolerance level is, however, applied for distribution of said activities / production of military-related equipment and services.
As an investor in this Fund you get diversification and professional management of your investments. Sparinvest monitors your investments for you.
The Fund's benchmark is Merrill Lynch Global High Yield (EUR Hedged).
You can usually buy and sell your shares at the current price on the days the banks are open.
The Fund normally uses currency derivatives to protect the portfolio against currency fluctuations.
Any income generated by the Fund will be reinvested to grow the value of your investments.

### Risk and Reward Profile

SRRI	Category 4 (for all share classes)	Category 4 (for all share classes)
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### Charges

Charges that are different between the sub-funds

Ongoing charges EUR R	1.56%	1.34%
Ongoing charges EUR R X	0.93%	Estimated: 0.84% (to be opened)
Ongoing charges EUR I	0.92%	0.88%
Ongoing charges EUR ID	0.92%	Estimated: 0.88% (to be opened)
Ongoing charges SEK I	0.91%	Estimated: 0.88% (to be opened)
Ongoing charges SEK ID	0.91%	Estimated: 0.88% (to be opened)

Charges that are the same in both sub-funds

Entry charge (for retail share classes)	2.00%
Entry charge (for institutional share classes)	0.00%
Exit charge	0.00%
Performance fee	None