



Global Value

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Fund Facts

Strategy	Value Equity
Risk	Medium
ISIN	LU0138501191
Share Class Currency	EUR
Fund Inception	14-Dec-2001
Fund Manager	Jens Moestrup Rasmussen
Benchmark	MSCI World
Morningstar Category	Global Large-Cap Value Equity

- sparinvest.eu

Performance

In the third quarter of 2009, Sparinvest Global Value fund increased by 11.95%, bringing its year-to-date return to 20.35%. The general equity market, as measured by the MSCI World index, rose by 12.70% in the quarter, and 18.78% year-to-date. The MSCI World Value index rose by 14.80% in the quarter, and 17.84% year-to-date. Small-cap stocks, as measured by the MSCI World Small Cap, increased by 17.28%, while growth stocks posted a return of 13.66%.

Although we lagged the MSCI World index by 0.75% during the quarter, we remain 1.57% ahead of it year-to-date. Similarly, we trailed the MSCI World Value index by 2.85% during the quarter, but have outperformed it by 2.51% year-to-date.

During the past three months, our German and Dutch holdings have served us well. Our relatively low weighting in the United States was partially offset by a strong performance from our holdings there. Japanese markets were sluggish in the quarter, meaning that our high weighting there worked against us slightly. Compared with the MSCI World, our high weighting in industrial and consumer discretionary stocks was beneficial, bolstered by a strong performance from our specific holdings in those sectors. In contrast, we suffered somewhat from a relatively low weighting and weak performance from our financial holdings.

Portfolio Composition

At the end of the quarter, the cash position was 7.0% of assets under management. The fund had 99 holdings and our ten largest positions accounted for 29.66% of the total.

Since we last wrote, we have made a new investment in Bovis Homes, a UK house builder. In general rebalancing of the portfolio, we made additional investments in some existing holdings and reduced others.

For further data on the fund, including complete portfolio holdings, performance and breakdowns by industry and geographical sector, please refer to our website and the latest fund factsheet.

Portfolio Valuation

Despite the share price gains of the past quarter, valuations of the portfolio remain attractive. If we aggregate the data from the holdings into one theoretical company, it is trading at a price-to-book of just 0.87 times. Looking at earnings, EV/EBITDA is 3.6 times 2009 Bloomberg estimates, and just 2.9 times 2010 estimates. The aggregate balance sheet is solid, with net-debt-to-equity of just 24% (versus 61% for the MSCI World), and intangibles-to-equity of only 17% (versus 53% for the index). We remain confident in the quality of our holdings, both in terms of their balance sheets and the robustness of their business models. We are convinced that the strength and low pricing of our portfolio will allow us to generate healthy long-term returns.

Jens Moestrup Rasmussen
Lead Portfolio Manager
8 October 2009

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