

all data as of 30.09.2013

### Portfolio & Market Environment

The Fed did surprise markets by not reducing the monthly USD 85bn of bond buybacks. The SaraSelect fund had an advance +2.86% just slightly below benchmark with a strong performance of +2.96%. After the first three quarters of the year, the fund shows a performance of more than 22% and an outperformance vs. the index of about 2%.

Our portfolio heavy-weights Bossard (+9.88%), LEM (+6.19%) and Daetwyler (+3.42%) delivered the biggest performance contributions. But also Logitech (+19.99%) and Schaffner (+11.11%) posted strong gains. Amongst the few losers was Bachem. The undisputed market leader in complex peptides gave up the advances of last month by falling roughly 10% without any news flow.

The investment climate of global stock markets did not really change in September. The market expectations of a Fed “tapering” were not fulfilled, giving stock markets an additional boost. Due to the lack of fundamental explanations for further advances of stock markets, a rising nervousness has led to almost CHF 6.5bn net outflows of equity funds in Switzerland over the past six months. If interest rates continue to stay at low levels because of further politically motivated bond buybacks by central banks, investors will eventually be forced out of bonds into equities over the next quarters, igniting the long expected “great rotation”. Too bad these higher volumes will happen after equity markets did massively outperform other asset classes recently.

The valuation premium of the liquid SMIM companies against small caps is still at a demanding 55%, clearly indicating to an outperformance potential for the smaller companies.

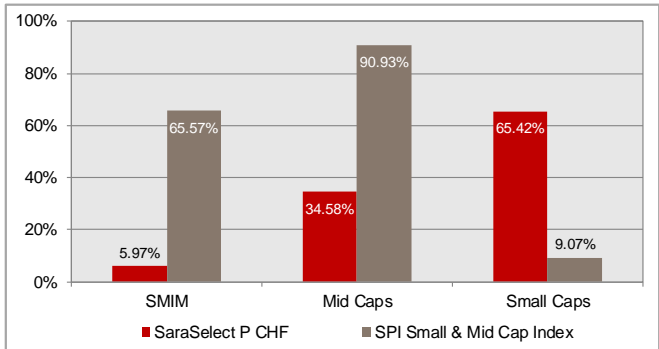
### Noticed...

A bigger reshuffling is taking place within the shareholder base of Schaffner. Alpine Select, an over years very committed shareholder has reduced their participation due to other opportunities from 20% to 10%. The shares were placed by ZKB with long term oriented investors which should enjoy a rerating over the coming years. Supported by an increasing customer demand, the management of Schaffner is expecting an operating margin equalizing last year (4.1%) for the year that just ended in September and is confirming the ambitious 2014/15 sales target of CHF 250 to 280mn and EBIT margins of 9 to 12%. This would value the company at a very undemanding EV/EBITDA of maximum 5x and a P/E of 7x, this within a sector (development and production of electronic systems) that enjoys structural growth of at least twice GDP.

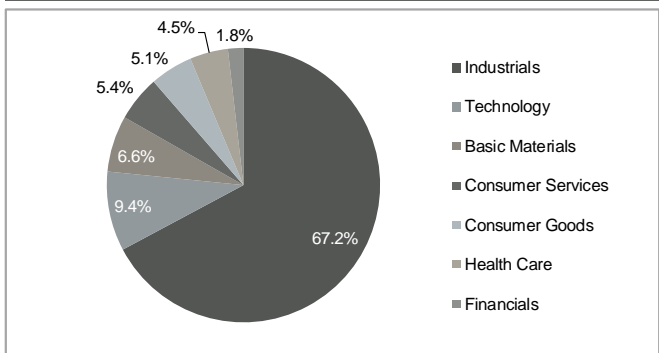
October: This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February.

Mark Twain, American author

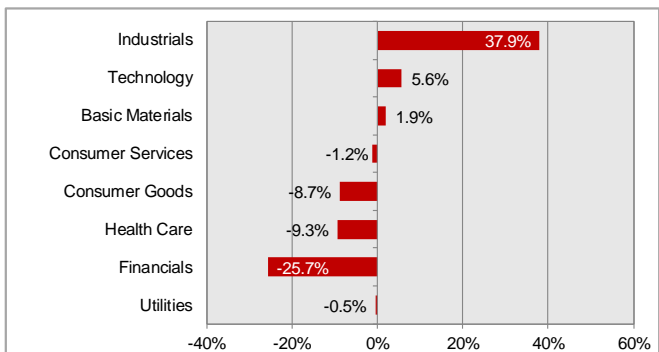
### Segment Allocation



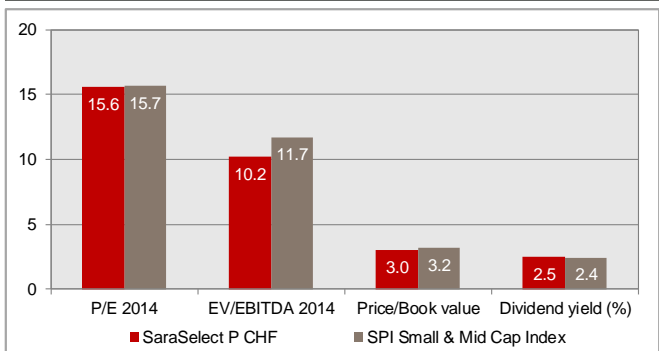
### Industry Allocation



### Industries relative to Benchmark



### Valuation



### Largest Positions

	Fund	Index
LEM Holding SA	8.90%	0.24%
Daetwyler Holding AG	7.98%	0.45%
Bossard Holding AG	7.30%	0.29%
Belimo Holding AG	6.10%	0.63%
Phoenix Mecano AG	5.46%	0.20%
Interroll Holding AG	5.46%	0.16%
Bell AG	4.93%	0.18%
Bachem Holding AG	6.10%	0.63%
Bucher Industries AG	4.53%	0.90%
Kaba Holding AG	4.33%	0.89%
Sika AG	3.92%	3.31%
CPH Chemie & Papier Holding AG	3.83%	0.09%
Huber & Suhner AG	3.81%	0.40%
ALSO Holding AG	3.16%	0.07%
Bobst Group AG	3.10%	0.14%
<b>Total Top 15</b>	<b>77.34%</b>	<b>8.05%</b>

### Fund Profile & Key Figures

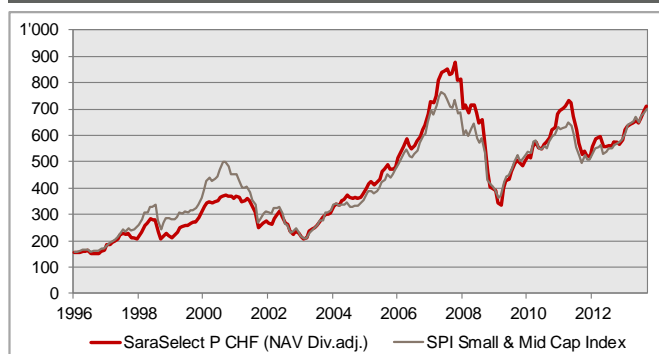
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Dep. Peter Lehner)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 605.8mn
Net Asset Value per Unit	CHF 712.70
Hist. Volatility*	14.16% p.a.
Tracking Error*	6.03% p.a.

\*Time period 3 years, monthly observation

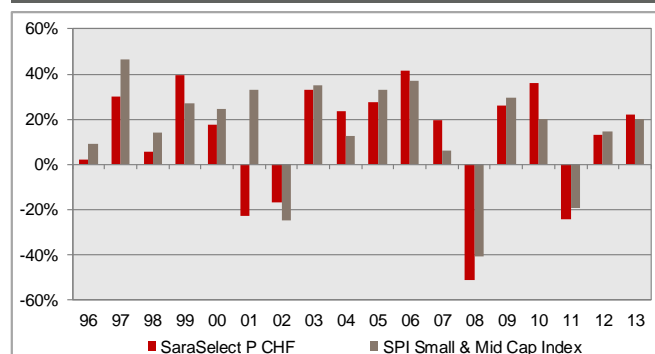
### Performance Overview

Fund	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
SaraSelect P CHF	22.05%	2.86%	24.22%	6.27% p.a.	4.14% p.a.	9.49% p.a.	8.97% p.a.
Index	19.98%	2.96%	24.13%	6.66% p.a.	5.67% p.a.	9.70% p.a.	8.85% p.a.

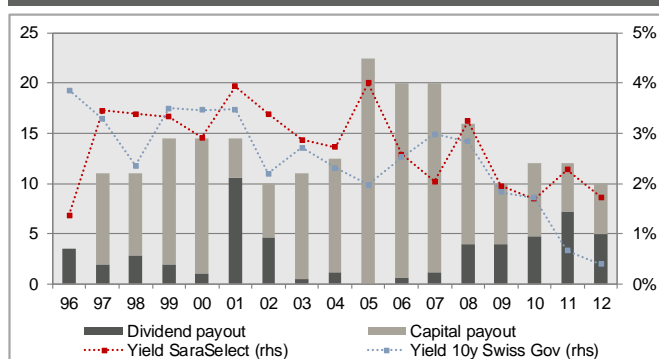
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distributions



Year	Dividend	Capital Gain*	Total
2012	5.00	5.00	10.00
2011	7.20	4.80	12.00
2010	4.80	7.20	12.00
2009	4.00	6.00	10.00
2008	4.00	12.00	16.00
2007	1.20	18.80	20.00
2006	0.60	19.40	20.00
2005	0.00	22.50	22.50
2004	1.20	11.30	12.50
2003	0.50	10.50	11.00

\*Not subject to income tax for private investors domiciled in Switzerland

### Monthly Performance

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2013</b>	Fund	6.21%	2.56%	1.10%	0.51%	1.32%	-1.09%	2.60%	4.26%	2.86%				22.05%
	Index	4.68%	4.38%	0.90%	1.35%	2.36%	-3.21%	4.25%	0.97%	2.96%				19.98%
<b>2012</b>	Fund	7.50%	5.59%	0.84%	0.59%	-6.47%	0.14%	0.91%	-0.88%	2.90%	-0.04%	-0.99%	2.84%	12.98%
	Index	4.19%	3.76%	0.73%	1.50%	-5.88%	0.98%	3.03%	0.09%	2.23%	0.58%	1.58%	1.27%	14.59%
<b>2011</b>	Fund	1.51%	1.54%	1.25%	2.91%	-1.08%	-6.91%	-8.06%	-8.32%	-7.45%	2.80%	-3.49%	-0.99%	-24.21%
	Index	-1.08%	0.91%	0.28%	2.53%	-1.49%	-5.70%	-7.56%	-6.66%	-4.36%	5.73%	-2.87%	0.12%	-19.11%
<b>2010</b>	Fund	4.61%	-1.94%	8.48%	2.83%	-3.34%	-1.12%	3.16%	1.29%	3.59%	5.02%	1.26%	8.02%	35.99%
	Index	2.57%	-0.63%	7.71%	0.50%	-4.95%	-1.19%	2.40%	-1.10%	4.81%	3.19%	1.27%	4.45%	20.06%
<b>2009</b>	Fund	-2.24%	-11.31%	-2.41%	18.43%	7.13%	1.61%	6.81%	6.58%	2.73%	-2.06%	-2.88%	3.79%	25.93%
	Index	-2.89%	-8.32%	2.74%	14.33%	5.06%	1.12%	5.46%	5.56%	4.62%	-3.81%	0.50%	3.65%	29.65%
<b>2008</b>	Fund	-13.58%	1.38%	-4.04%	4.33%	0.30%	-4.40%	-5.68%	2.15%	-11.75%	-21.34%	-11.41%	-1.79%	-51.05%
	Index	-11.98%	2.51%	-3.30%	4.63%	2.86%	-8.54%	-3.16%	3.09%	-9.44%	-19.26%	-3.82%	-1.98%	-40.89%