

All data as of 31.12.2019

### Portfolio & Market Environment

The stock markets were further boosted by hopes of economic improvement and an optimistic outcome to the trade conflict between the USA and China. The overall market (SPI) went up by 1.27%. The small caps advanced by 1.89% and mid caps by 1.54%. The large caps achieved a performance of 1.20%. The overweight of industrial companies in the fund meant that it went up by 3.96%. It nicely outperformed the benchmark, which advanced by 1.57%.

The monthly performance of the SaraSelect portfolio was significantly influenced by the following holdings. The largest positive contributions were made by Belimo (55 bp), LEM (42 bp), Gurit (38 bp), Huber+Suhner (35 bp), Sika (33 bp) and Daetwyler (32 bp). Performance was negatively impacted by not being invested in Julius Bär (-23 bp), Bell (-19 bp), SPS (-17 bp) and Barry Callebaut (-10 bp). Should a partial agreement be reached in the trade dispute, accumulated investments would be released, which would have a positive effect on economic growth and share prices.

### Noticed... Bachem

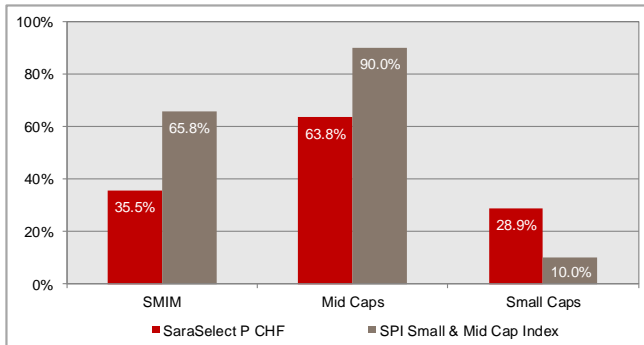
With a price increase of over 36%, Bachem's share was one of the better performers in 2019. On top of this, the dividend was over 3% leading to a total return of 39.4%, which is significantly higher than the index. Especially from a 5-year perspective, the share is one of the best performers, achieving an annual return of 29.4% vs 11.3% with the Small & Mid Cap Index. With about 40% share, Bachem is the market leader in the oligopolistically structured peptides market. Thanks to the vision of the founder and majority shareholder (Peter Grogg), the company has been able to make major investments in production capacities. An analysis of the business model quickly shows that peptides (long-chain proteins) are enjoying increasing popularity. Bachem is also active in the field of oligonucleotides, which are produced with very similar technologies (downstream) and which are currently experiencing strong growth, particularly thanks to their use in the increasingly popular immuno-therapies. Thus, there is nothing to prevent a doubling of current sales of over CHF 300 million within the next decade.

With a P/E ratio of almost 35x, part of the potential is certainly priced in, but the current high capacity expansions will cause future free cash flows to rise sharply, thus legitimizing further share price increases, especially since the management team around outgoing CEO Peter Früh has been very well expanded and has made good use of the strategic opportunities that have arisen. The only drawback is the somewhat low liquidity resulting from the core shareholder and other long-term oriented shareholders.

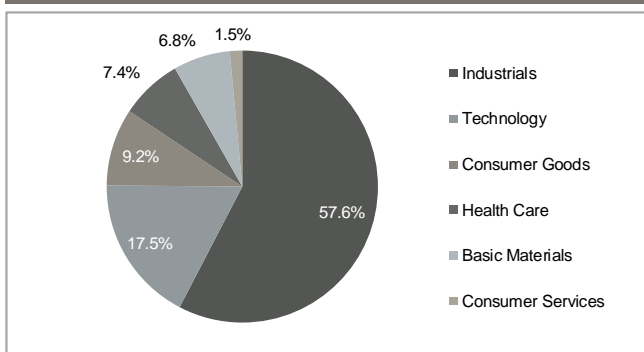
Only invest in a stock whose business you understand.

Warren Buffet

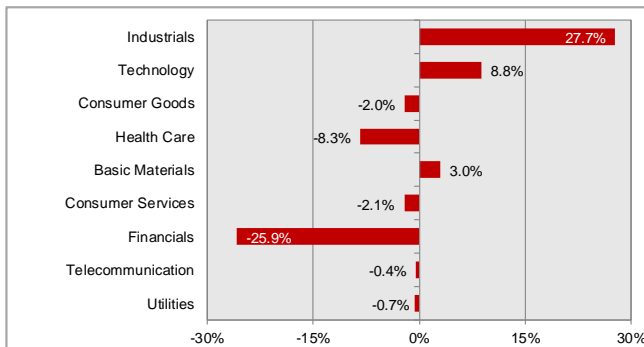
### Segment Allocation



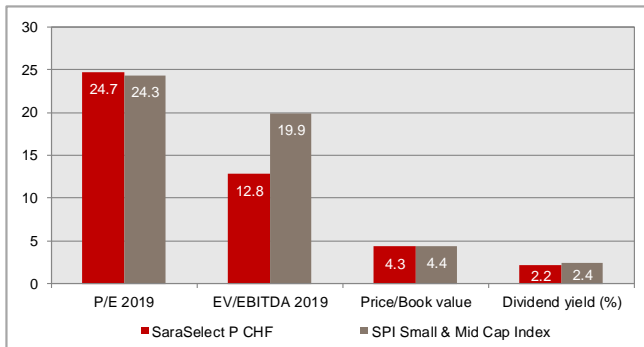
### Industry Allocation



### Industries relative to Benchmark




### Valuations



### Largest Positions

	Fund	Index
ALSO Holding AG	8.30%	0.34%
Sika AG	7.19%	0.00%
LEM Holding SA	6.76%	0.25%
Belimo Holding AG	6.73%	1.13%
Bachem Holding AG	5.51%	0.28%
Bossard Holding AG	5.18%	0.32%
Interroll Holding AG	4.80%	0.50%
Daetwyler Holding AG	4.67%	0.49%
Bell Food Group AG	4.30%	0.21%
Logitech International SA	3.99%	2.58%
Gurit Holding AG	3.37%	0.18%
Huber + Suhner AG	3.34%	0.38%
Bobst Group SA	3.32%	0.15%
Chocoladefabriken Lindt & Spru	3.22%	2.88%
Bucher Industries AG	3.14%	0.75%
<b>Total Top 15</b>	<b>73.82%</b>	<b>10.43%</b>

### Fund Profile & Key Figures

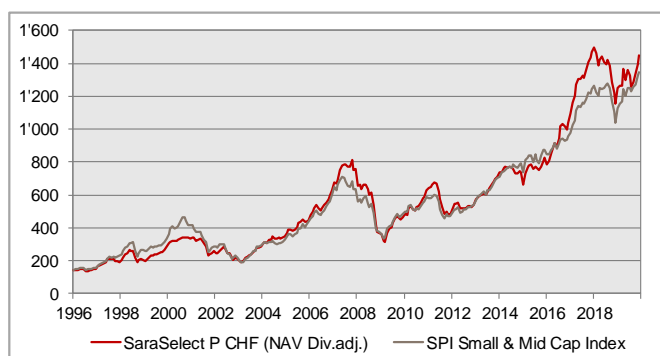
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 755.5 mn
Net Asset Value per Unit	CHF 1'451.32
Hist. Volatility*	13.87% p.a.
Tracking Error*	5.83% p.a.

\*Time period 3 years, monthly observations

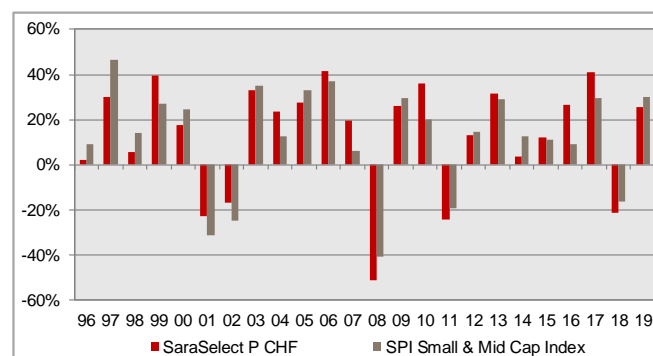
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	25.63%	3.96%	25.63%	11.67% p.a.	14.55% p.a.	12.05% p.a.	10.11% p.a.
Index	29.96%	1.57%	29.96%	12.12% p.a.	11.26% p.a.	10.72% p.a.	9.76% p.a.

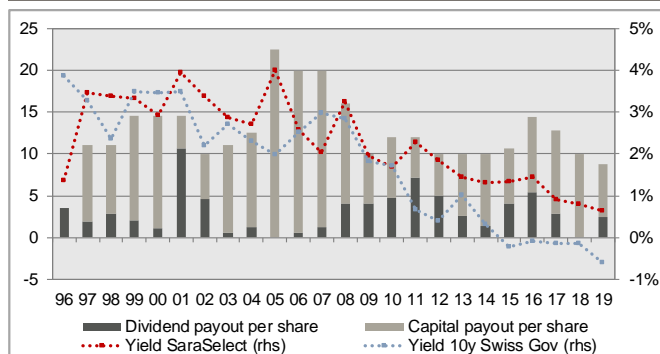
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distribution per Share



Year	Dividend	Capital Gain*	Total
2019	2.40	6.40	8.80
2018	0.00	10.00	10.00
2017	2.80	10.00	12.80
2016	5.40	9.05	14.45
2015	4.00	6.70	10.70
2014	1.40	8.60	10.00
2013	2.60	7.40	10.00
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

\*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
2019	Fund	8.17%	1.05%	0.21%	7.86%	-5.07%	4.94%	-2.66%	-5.15%	2.33%	4.44%	4.06%	3.96%	25.63%
	Index	8.77%	2.46%	1.01%	6.20%	-3.22%	4.01%	0.00%	-1.71%	2.50%	4.22%	4.22%	1.57%	29.96%
2018	Fund	2.04%	-2.32%	-5.26%	2.40%	1.70%	-2.54%	-1.02%	1.94%	-2.22%	-7.52%	-5.04%	-5.35%	-21.42%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%	0.31%	1.79%	0.60%	-2.29%	-6.67%	-5.06%	-6.36%	-16.40%
2017	Fund	4.91%	6.25%	3.36%	5.97%	2.41%	0.26%	1.69%	-1.33%	3.82%	3.30%	1.86%	2.66%	41.06%
	Index	2.11%	4.78%	2.76%	5.70%	2.91%	-0.99%	2.44%	-0.79%	2.51%	3.67%	-0.35%	1.78%	29.71%
2016	Fund	-4.55%	2.84%	5.78%	2.20%	4.94%	-2.76%	6.00%	7.46%	1.47%	-1.01%	-2.12%	4.28%	26.48%
	Index	-3.63%	-0.08%	3.56%	0.75%	4.00%	-3.77%	4.08%	1.66%	1.05%	-1.52%	0.54%	2.41%	9.01%
2015	Fund	-9.53%	9.96%	4.55%	1.78%	0.80%	-3.68%	1.93%	-1.01%	-1.59%	3.14%	4.50%	1.83%	12.01%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%	-4.72%	5.96%	-3.87%	-3.08%	6.46%	3.61%	0.75%	11.01%
2014	Fund	3.41%	0.57%	3.13%	1.42%	-0.65%	0.67%	-1.44%	-0.70%	-3.27%	-0.29%	2.00%	-1.21%	3.47%
	Index	1.42%	4.05%	0.52%	1.30%	1.67%	0.63%	-0.41%	2.08%	-1.72%	-0.46%	2.91%	0.30%	12.85%

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