

Portfolio & Market Environment

After a good start in June, the market turned into negative territory towards the end of the month. Following seven months of positive returns, this was the first setback in the current year. Is it the beginning of a correction or will the markets consolidate over the summer months? The mid caps lost 1.12% and underperformed the small caps, which gained 0.17%. The large caps lost 1.21%. Thanks to the good stock selection in the fund, the benchmark, which lost 0.99%, was beaten with a monthly performance of 0.26%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were made by Lem (61 bp), Gurit (53 bp), Belimo (28 bp), Bell (23 bp), our underweight in Lindt & Sprüngli (19 bp) and Phoenix Mecano (14 bp). Negative contributions stem from Also (-53 bp), Bachem (-40 bp), Bobst (-35 bp) and not being invested in Idorisa (-19 bp). Consolidation will continue, but it can be assumed that the companies will surprise with the half-year financial reports, as we have already seen in the cases of Bossard and Conzzeta.

Noticed... Bossard's positive profit warning

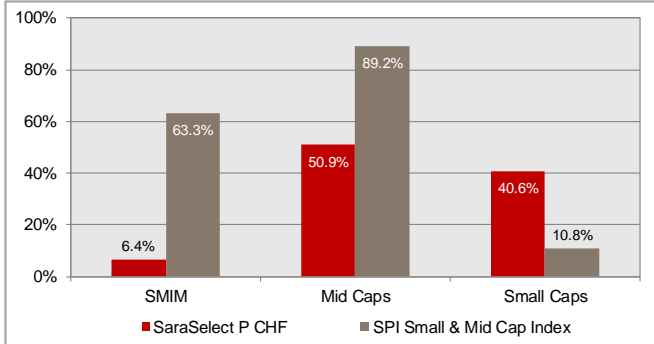
The business performance of the Bossard Group is considerably stronger than early-year expectations. The favorable business development is rooted in above-average growth rates across all market regions. As a result, the Group will post a substantially higher profit. Consolidated net income in the first half of 2017 is expected to be more than 30 percent above last year's CHF 31.3 million. This is nicely showing, that beside the big client Tesla also John Deere is seeing improving sales developments again and that the world economy seems to be rebounding and facing better growth.

Limited invested capital leads to a high return on capital employed and a high flexibility of the fixation specialist. The forecasted 1 bn turnover should also be reached in the course of the next years. The impressive business success is a result of many well taken historic decisions. This is why the 41 actual family members who own the majority of Bossard in the seventh generation are demonstrating very impressively that power comes with responsibility and are therefore the Anti-Burckhards (Sika)...

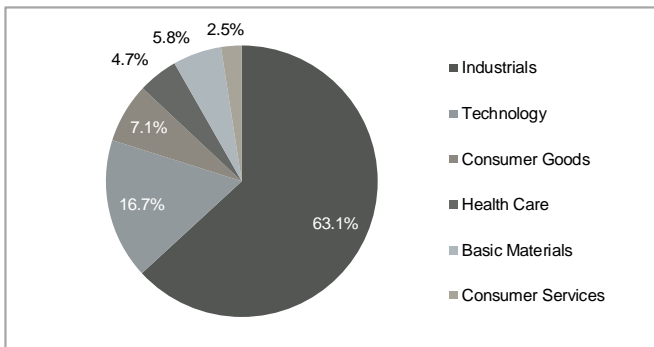
I do not know what tomorrow will be, but I know what was yesterday and today, and that is very much.

André Kostolany

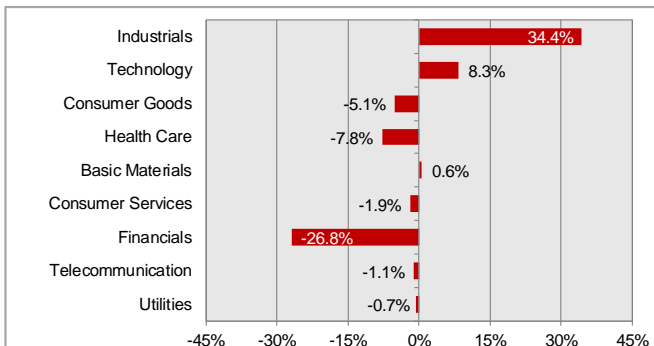
Segment Allocation



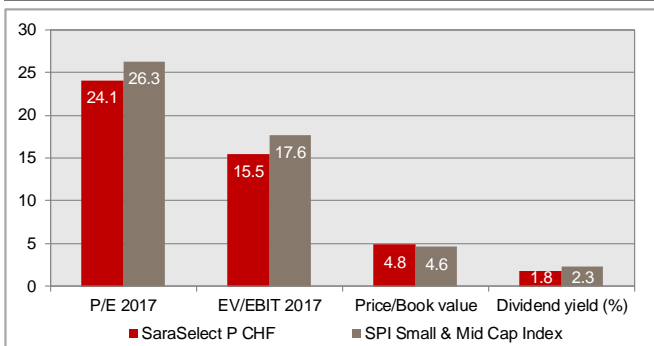
Industry Allocation



Industries relative to Benchmark




Valuation



Largest Positions

	Fund	Index
Bossard Holding AG	7.99%	0.45%
ALSO Holding AG	7.50%	0.33%
LEM Holding SA	7.05%	0.35%
Bobst Group SA	6.27%	0.30%
Daetwyler Holding AG	5.14%	0.54%
Bell Food Group AG	4.97%	0.26%
Sika AG	4.87%	0.00%
Belimo Holding AG	4.83%	0.30%
Bachem Holding AG	4.49%	0.23%
Phoenix Mecano AG	4.06%	4.06%
Bucher Industries AG	3.81%	0.85%
Huber + Suhner AG	3.46%	0.45%
Interroll Holding AG	3.39%	0.36%
dormakaba Holding AG	3.29%	1.22%
Gurit Holding AG	3.11%	0.19%
Total Top 15	73.89%	6.37%

Fund Profile & Key Figures

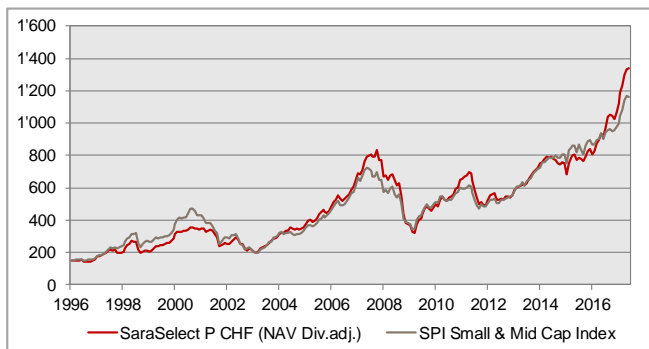
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds Ltd.
Custodian Bank	Bank J. Safra Sarasin Ltd.
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 636.9mn
Net Asset Value per Unit	CHF 1'336.99
Hist. Volatility*	12.51% p.a.
Tracking Error*	6.86% p.a.

*Time period 3 years, monthly observation

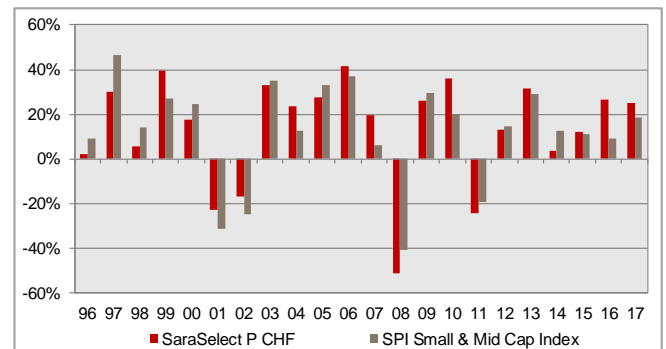
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	25.35%	0.26%	42.36%	19.07% p.a.	20.38% p.a.	5.27% p.a.	10.76% p.a.
Index	18.41%	-0.99%	23.54%	13.72% p.a.	17.92% p.a.	4.92% p.a.	10.06% p.a.

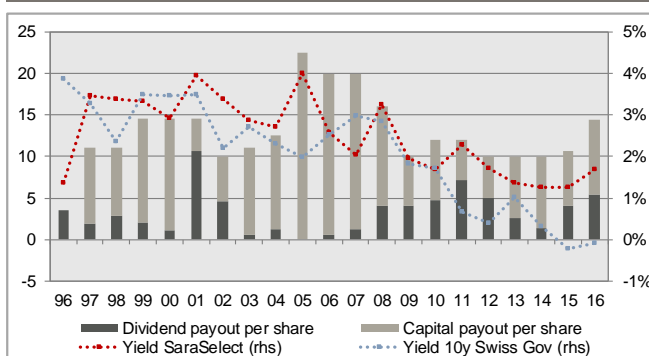
Cumulative Performance since Inception



Yearly Performance since Inception



Distributions per share



Year	Dividend	Capital Gain*	Total
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
2008	4.00	12.00	16.00
2007	1.20	18.80	20.00
2006	0.60	19.40	20.00

*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
2017	Fund	4.91%	6.25%	3.36%	5.97%	2.41%	2.67%							25.35%
	Index	2.11%	4.78%	2.76%	5.70%	2.91%	1.89%							18.41%
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%
2013	Fund	6.21%	2.56%	1.10%	0.51%	1.32%	-1.09%	2.60%	4.26%	2.86%	3.48%	1.98%	2.01%	31.37%
	Index	4.68%	4.38%	0.90%	1.35%	2.36%	-3.21%	4.25%	0.97%	2.96%	4.06%	1.70%	1.83%	29.29%
2012	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%

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