

Portfolio & Market Environment

After equities have rallied for the last couple of months, the time had come for a smaller correction. Initially, bond markets once again experienced some turbulence and then the Greek debt-crisis drama started to be the main concern and erased the gains for this year. The negative monthly performance of the Small & Mid Cap Index of -4.72% was the worst since summer 2011 (except for the extraordinary January 2015). SaraSelect was also hit by this downward trend, but the decline of -3.68% was less than the overall market performance and the fund was able to increase the outperformance. After the first semester, SaraSelect with +2.77% is slightly more than 1.5% ahead of benchmark.

The by far biggest positive performance contribution in June came from Gurit (+17.42%), which released a profit warning and outdared the weak environment (see below). Further positive contributions were posted by Sika (+2.14%), Orell Füssli (+3.69%) and Galenica (+3.67%). At the bottom of a long loser table was Daetwyler (-16.40%), where the cautious statement from the CFO about a possible delay of the turnaround in the Technical Components division caused some investors to reduce their exposure. Other bigger negative contributions came from CPH (-9.14%), Lem (-7.27%), Bucher (-6.25%) and Bossard (-4.51%). An impressive example of how much optimism is priced-in in several stocks showed AMS. A press article about rumors of a lost order from Apple hammered the share price immediately by 25%. We took this opportunity to build up a small position.

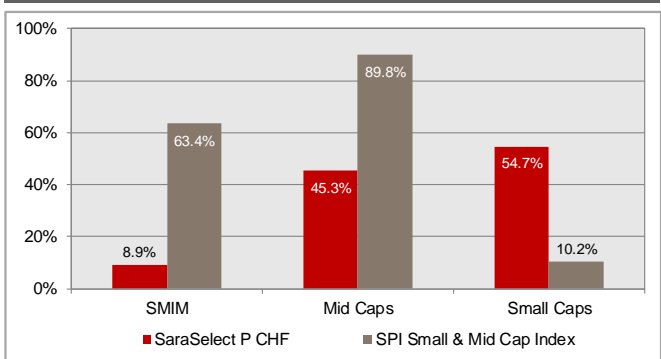
But not only AMS suffered in the broad market. The two high leveraged companies Aryzta (-40% year-to-date) and Dufry (-11% year-to-date) are more and more doubted by market participants, whether the aggressive growth strategy via acquisitions will finally pay off for investors.

Noticed...

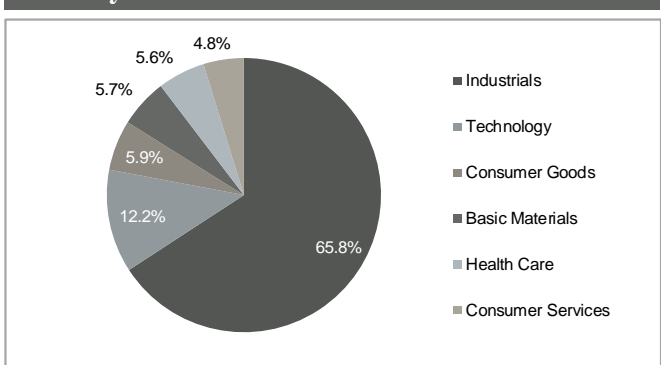
Gurit was together with Interroll one of the few companies that were in a position to communicate a positive profit warning last month. Gurit is an impressive example how important it is for investors to have the required patience, if management is superior, the strategy and its implementation are well chosen and executed. Over the past 7 years, Gurit managed to migrate from a pure wind-depending material producer (approx. 70% of sales with Gamesa and Vestas in the field of foams, balsa and composites) to a components and system provider in several application fields (automotive, marine, aviation and industry). The material know-how was greatly levered into value enhancing solutions for their different client industries. Not only dependencies were reduced by diversification, but the basis was built for activities in structurally stronger growing fields with higher value creation and more sustainable margin profiles. Furthermore, large part of the operating cyclicality was reduced in favor of more stable activities.

The crisis is a unique opportunity to change things.
 Muhammad Yunus, pioneer in micro finance

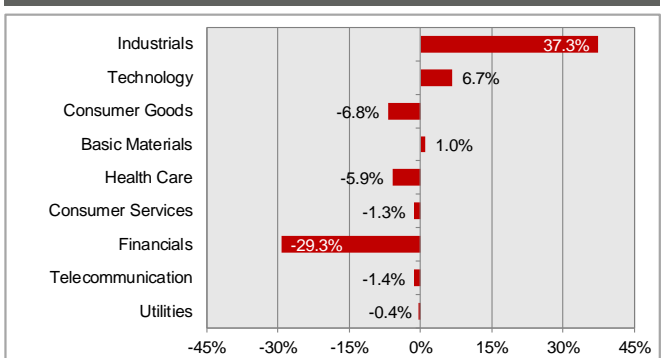
Segment Allocation



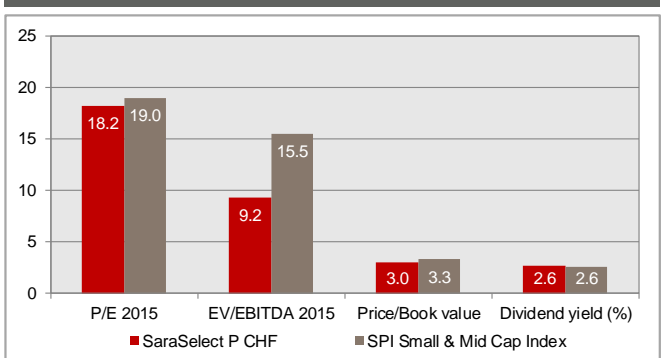
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	8.58%	0.24%
Bossard Holding AG	7.78%	0.30%
Daetwyler Holding AG	6.28%	0.40%
Bell AG	5.53%	0.17%
Bachem Holding AG	5.36%	0.11%
Bobst Group AG	5.05%	0.17%
Bucher Industries AG	4.90%	0.80%
Interroll Holding AG	4.74%	0.17%
Phoenix Mecano AG	4.70%	0.15%
ALSO Holding AG	4.53%	0.08%
Belimo Holding AG	4.39%	0.53%
Sika AG	3.94%	3.65%
Huber & Suhner AG	3.87%	0.30%
Kaba Holding AG	3.38%	0.76%
CPH Chemie & Papier Holding AG	3.18%	0.06%
Total Top 15	76.20%	7.92%

Fund Profile & Key Figures

Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
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 477.3mn
Net Asset Value per Unit	CHF 794.65
Hist. Volatility*	10.94% p.a.
Tracking Error*	5.76% p.a.

*Time period 3 years, monthly observation

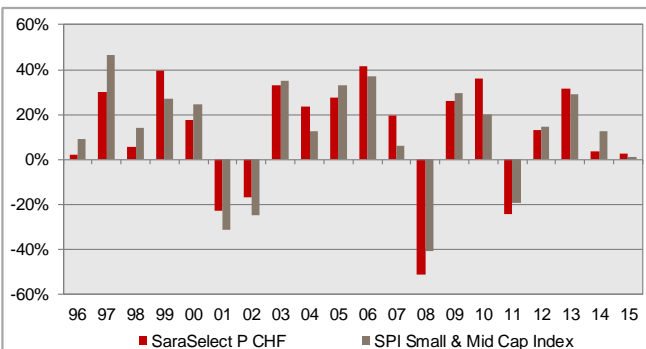
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	2.77%	-3.68%	-2.25%	13.53% p.a.	8.26% p.a.	6.52% p.a.	8.89% p.a.
Index	1.19%	-4.72%	3.88%	17.22% p.a.	9.65% p.a.	7.98% p.a.	9.18% p.a.

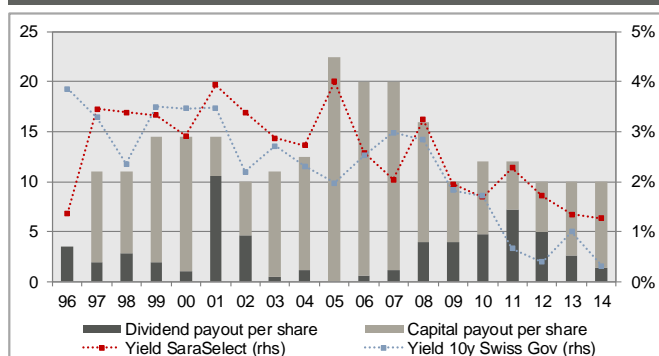
Cumulative Performance since Inception



Yearly Performance since Inception



Distributions per share



Year	Dividend	Capital Gain*	Total
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
2005	0.00	22.50	22.50

*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
2015	Fund	-9.53%	9.96%	4.55%	1.78%	0.80%	-3.68%							2.77%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%	-4.72%							1.19%
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%	35.45%
	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%	31.13%
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%
2011	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%
2010	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%

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