

**Portfolio & Market Environment**

In November, financial markets were comparably calm and much less volatile than in recent months. At the beginning, the lack of new impulses caused markets to trend sideways as many investors were waiting for the upcoming decisions of central banks. But after all, this time the strong October performance could be preserved. In the second half of the month especially the small- and mid-sized companies were picking up the pace again, leading to a respectable monthly performance of the Small & Mid Cap Index of +3.61%. Thanks to the strong development of some heavy-weights in the portfolio, SaraSelect could even gain +4.50%. With an YTD performance of exactly +10.00%, the fund is on benchmark level.

The biggest positive performance contribution came from Bell (+15.98%). Because of the full consolidation of Hilcona, the defensive stock now also gets much more attention from international investors and is currently trading at an all-time high. Other positive contributions came from Belimo (+11.32%), LEM (+10.04%), Bossard (+9.09%) and Bobst (+6.33%). Moreover, AMS (+23.66%) was able to recover strongly from the setback in October after the announcement of the CMOSIS takeover. Also notably were the nice developments of Komax (+11.77%) and Ascom (+8.53%). Amongst few losers were CPH (-3.85%) despite a value enhancing acquisition of their chemical division. Also Huber+Suhner (-3.75%) was trading slightly lower.

For the last weeks until the end of the year and the upcoming seasonally strong winter months, we remain overall optimistic for equities. Further quantitative-easing measures in the Eurozone and the start of the interest rate normalization in the US should be priced-in already. Some on-going geo-political crises will not change the fact, that equities as real assets are one of the few attractively priced asset classes.

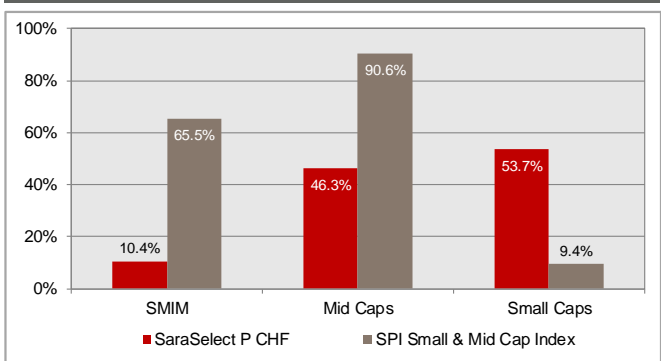
**Noticed...**

Investors are increasingly wishing and remunerating clear focus strategies. This has become visible in the cases of Kardex, Galenica and Ascom. The historically grown broad setups are not opportune anymore and a focus on core activities and core competences is desired. The impressive year-to-date returns of 90% (Galenica), almost 80% (Kardex) and 40% (Ascom) reflect nicely the anticipated moves of those companies, despite the difficult start into the year due to the FX turbulences in January.

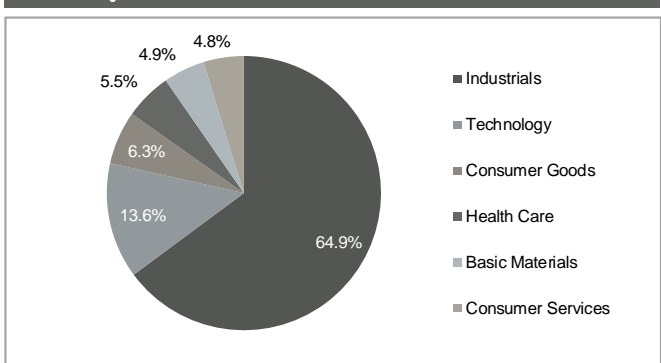
A clear market leadership within a niche leads to higher prices and therefore to better margins, allowing the financing of the crucial R&D expenses. This results in more successful innovation and increases the advance on competition, which is lifting pricing power thanks to value-based pricing. Many Swiss companies are clear market leaders within their niches, enjoying stable market shares.

One of the funny things about the stock market is that every time one person buys, another sells, and both think they are astute.  
 William Feather, US publisher & author

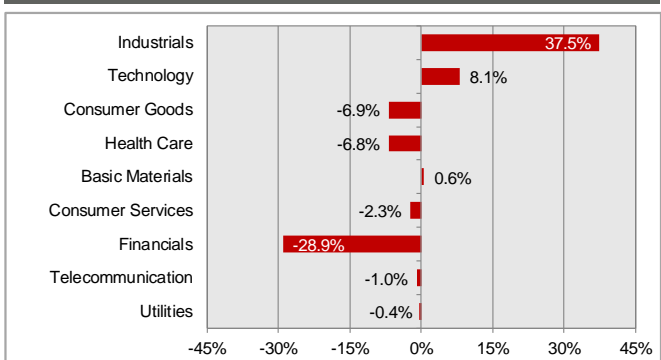
**Segment Allocation**



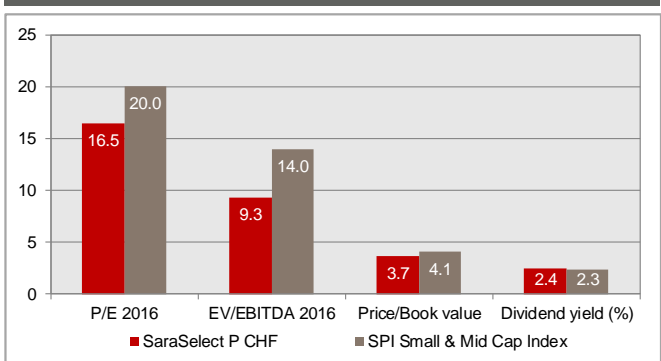
**Industry Allocation**



**Industries relative to Benchmark**



**Valuation**



### Largest Positions

	Fund	Index
LEM Holding SA	7.92%	0.24%
Bossard Holding AG	7.05%	0.27%
Daetwyler Holding AG	6.24%	0.51%
Bell AG	5.90%	0.20%
ALSO Holding AG	5.38%	0.08%
Bachem Holding AG	5.33%	0.10%
Bobst Group AG	4.95%	0.16%
Phoenix Mecano AG	4.93%	0.20%
Bucher Industries AG	4.85%	0.73%
Belimo Holding AG	4.36%	0.51%
Interroll Holding AG	4.35%	0.24%
Sika AG	3.87%	3.51%
Huber & Suhner AG	3.80%	0.28%
dorma+kaba Holding AG	3.75%	0.95%
Schaffner Holding AG	2.87%	0.06%
<b>Total Top 15</b>	<b>75.55%</b>	<b>7.97%</b>

### Fund Profile & Key Figures

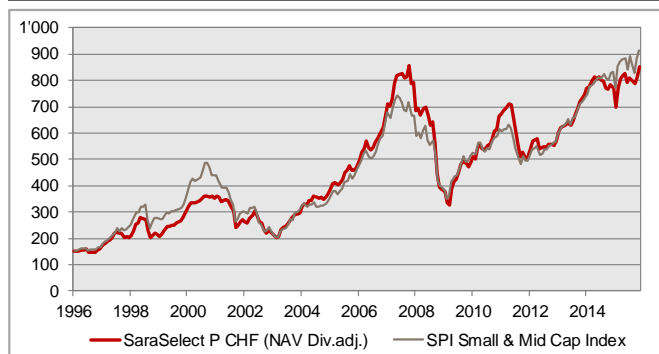
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 458.8mn
Net Asset Value per Unit	CHF 850.52
Hist. Volatility*	11.16% p.a.
Tracking Error*	6.52% p.a.

\*Time period 3 years, monthly observation

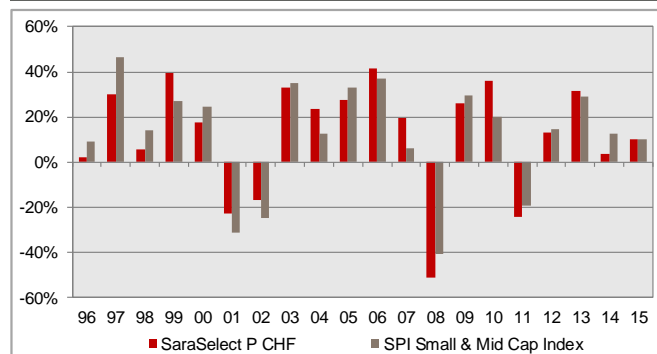
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	10.00%	4.50%	8.67%	15.42% p.a.	6.70% p.a.	6.39% p.a.	9.01% p.a.
Index	10.19%	3.61%	10.52%	17.64% p.a.	9.25% p.a.	7.59% p.a.	9.45% p.a.

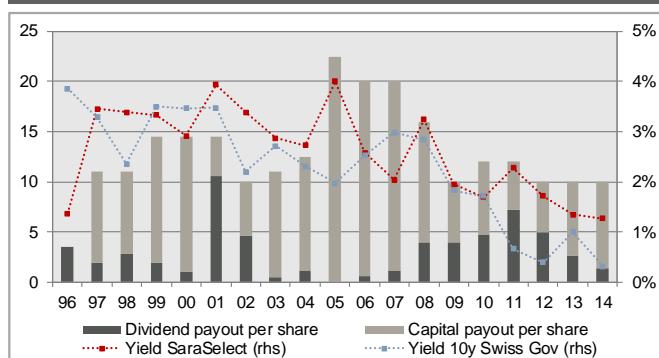
### Cumulative Performance since Inception



### 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%	1.93%	-1.01%	-1.59%	3.14%	4.50%		10.00%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%	-4.72%	5.96%	-3.87%	-3.08%	6.46%	3.61%		10.19%
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%	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%
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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