

all data as of 31.01.2018

Portfolio & Market Environment

Equity markets saw a strong start to the year, but the first profit takings began towards the end of the month. For the first time in months, the Swiss Government Bond yield returned into positive territory. Nevertheless, a turnaround in interest rates is likely to take place only at a moderate pace. In this environment, small caps gained 3.10% and mid caps rose by 1.67%. The performance of the large caps fell by 0.59%. Thanks to the fund's good stock selection, the benchmark, which gained 1.81%, was beaten with a monthly performance of 2.04%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were made by CPH (49 bp), Bossard (31 bp), Bucher (26 bp), Daetwyler (23 bp) and not being invested in Arysza (46 bp). The performance was negatively influenced by Bachem (-43 BP), Bobst (-41 BP), Swatch and Schnindler with each (-13 BP). The environment still favours equities. These are supported by the strong earnings growth of the companies and the strong global economic growth.

Noticed... value stock CPH

The Chemie Papier Holding stock has had an impressive start into the year. With a performance of 23.25% most other stocks were left behind. This demonstrates the importance of patience while investing. The combination of low energy prices, a strengthened Euro and a slightly stronger paper price has boosted the performance of the still attractively valued stock.

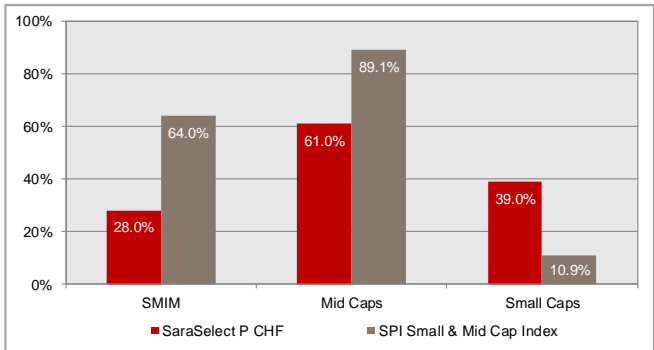
The strategic focus away from paper to packaging and chemistry seems to gain traction. Beside the closure in Uetikon am See and some relocations of production sites, the management has conducted some targeted acquisitions in China, Bosnia and Brazil with the goal to further strengthen those two divisions in order to reduce the dependency of the paper business to more or less one third of revenues.

This is impressively demonstrating the visionary approach and the strategic frame thanks to the core share holder families. With a valuation of roughly 1x book and an EV/EBITDA 2018 of 10.5x, the stock belongs to the laggards which are starting to be rediscovered by the market participants.

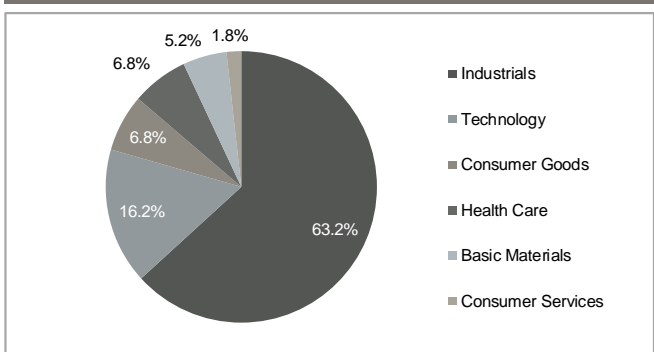
Time is the friend of wonderful companies and the enemy of mediocre companies.

Warren Buffet

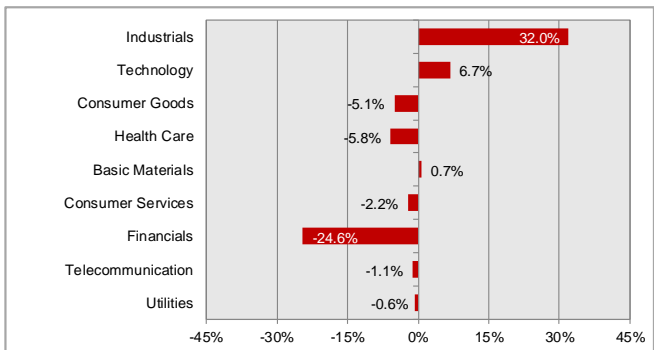
Segment Allocation



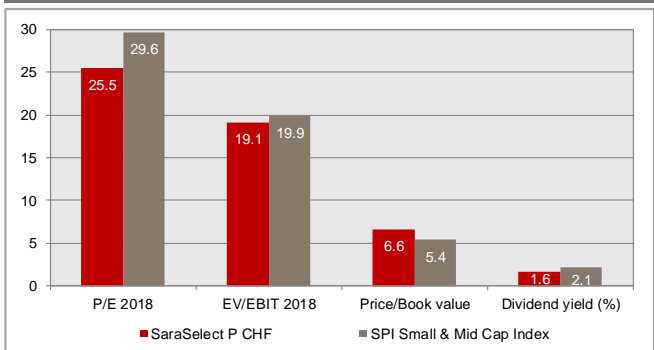
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
LEM Holding SA	8.05%	0.42%
Bossard Holding AG	7.40%	0.51%
ALSO Holding AG	7.08%	0.33%
Bobst Group SA	7.02%	0.36%
Sika AG	5.40%	0.00%
Daetwyler Holding AG	5.30%	0.59%
Bachem Holding AG	4.91%	0.26%
Belimo Holding AG	4.32%	0.78%
Bucher Industries AG	4.11%	1.09%
Bell Food Group AG	4.10%	0.23%
Phoenix Mecano AG	3.83%	0.15%
Interroll Holding AG	3.45%	0.39%
Logitech International SA	3.45%	2.45%
CPH Chemie & Papier Holding AG	2.65%	0.07%
Chocoladefabriken Lindt & Spru	2.54%	2.35%
Total Top 15	73.62%	9.99%

Fund Profile & Key Figures

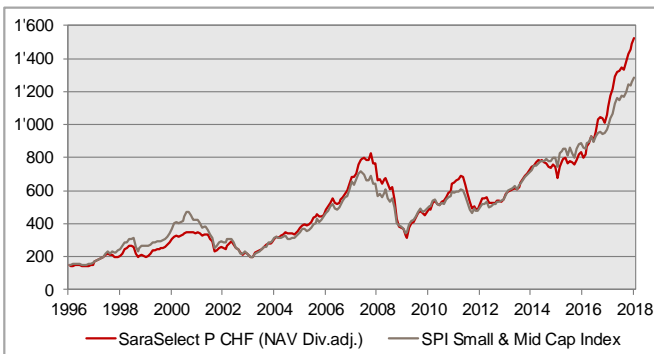
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Stv. Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 746.9 mn
Net Asset Value per Unit	CHF 1'521.72
Hist. Volatility*	12.87% p.a.
Tracking Error*	6.46% p.a.

*Time period 3 years, monthly observations

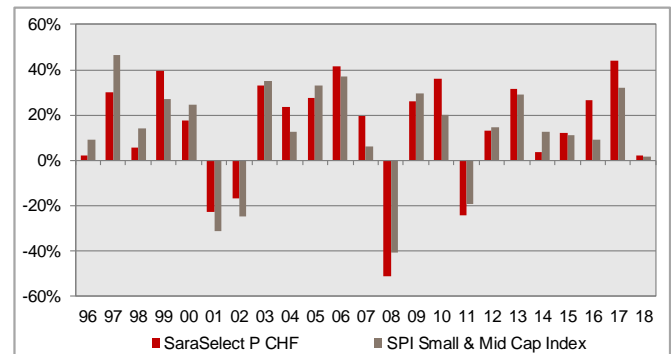
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	2.04%	2.04%	37.20%	31.08% p.a.	21.14% p.a.	8.69% p.a.	11.16% p.a.
Index	1.81%	1.81%	29.33%	19.76% p.a.	17.36% p.a.	8.48% p.a.	10.33% p.a.

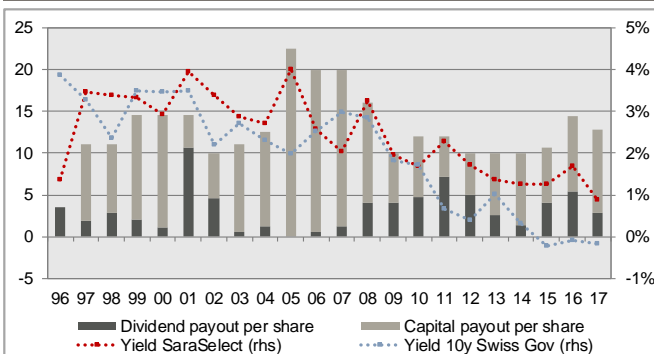
Cumulative Performance since Inception



Yearly Performance since Inception



Distribution per Share



Year	Dividend	Capital Gain*	Total
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
2008	4.00	12.00	16.00
2007	1.20	18.80	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
2018	Fund	2.04%												2.04%
	Index	1.81%												1.81%
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%	44.59%
	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%	32.07%
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%

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