

All data as of 31.08.2018

Portfolio & Market Environment

Neither the news on special inquiries concerning the US elections in Washington nor the trade dispute with China had a negative effect on investors. Equally, the currency turbulences of the Turkish Lira and the Argentinian Peso were so far marginalized by market participants. The small caps gained 0.59% and mid caps went up by 0.60%. The large caps lost 2.19% after having better performed in July. The overweighting of small caps in the fund led to a performance of 1.02%. It performed worse than the benchmark, which advanced 1.79%.

The monthly relative performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from Belimo (66 bp), Huber+Suhner (55 bp), Interroll (51 bp), Also (36 bp) and Bell (20 bp). The performance was negatively influenced by LEM (-59 bp), Bobst (-52 bp), Bachem (-41 bp), Temenos (-36 bp), Orell Füssli (-25 bp) and Lindt&Sprüngli (-25 bp). Markets will remain volatile. Politically motivated tensions will reemerge towards fall, interest rates will remain low on the other side and will therefore favor real value strategies.

Noticed... Belimo

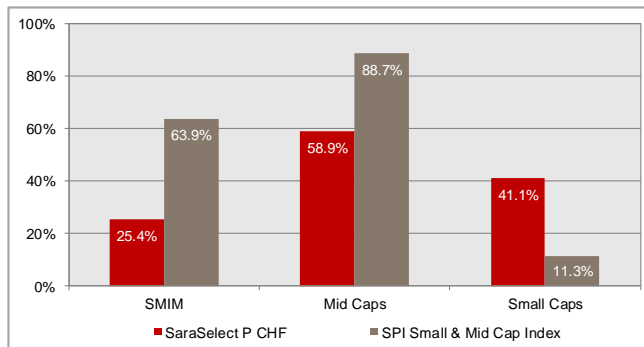
After releasing a very strong half-year report, the Belimo share price closed at a record high of CHF 4'935., rising 18% just within a month and reaffirming the chosen strategy and it's stringent implementation. The mega-trends of "energy efficiency", "urbanization", "digitalization" and "safety+security" are requiring more investments in the controlled supply of air and water within buildings. "Being market leader is an obligation and is a source of motivation". Belimo is global market leader in the development, production and marketing of actuator solutions for controlling heating, ventilation and air conditioning systems. Actuators, control valves and sensors make up the company's core business.

We trust the experienced management around Lars van der Haegen to grow the business by 8% yearly over the next years and to further increase margins and ROCE over-proportionally. The stock is valued fairly at a 2019 P/E of 30x, but quality, market leadership and structural growth have their price.

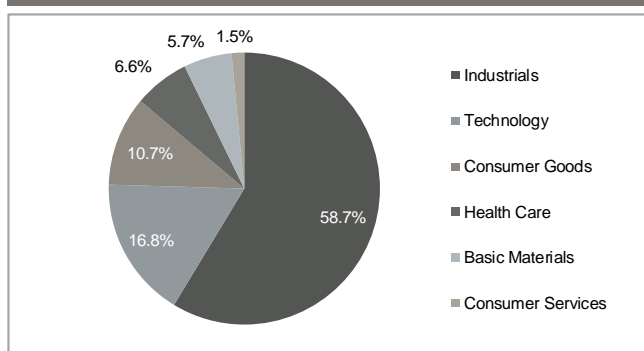
The most stupid reason to buy a stock is because it is rising.

Warren Buffet

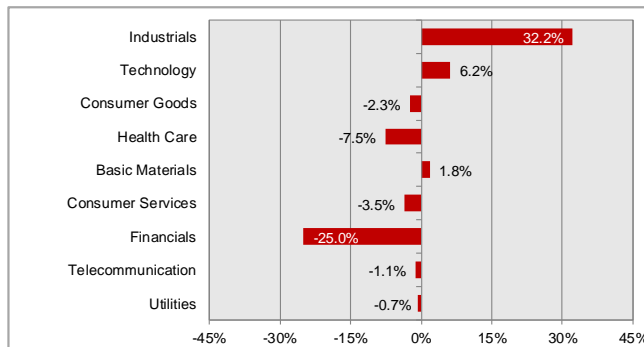
Segment Allocation



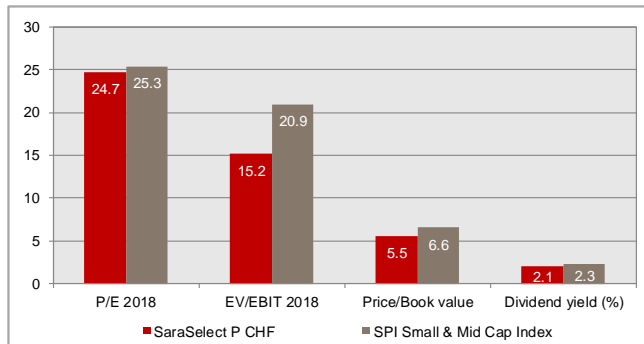
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
Bossard Holding AG	6.38%	0.41%
ALSO Holding AG	6.32%	0.27%
LEM Holding SA	6.30%	0.26%
Sika AG	6.12%	0.00%
Bell Food Group AG	5.32%	0.24%
Belimo Holding AG	5.19%	0.92%
Bobst Group SA	5.06%	0.24%
Daetwyler Holding AG	4.89%	0.53%
Interrroll Holding AG	4.77%	0.50%
Bachem Holding AG	4.74%	0.24%
Logitech International SA	4.48%	3.12%
Phoenix Mecano AG	4.22%	0.16%
CPH Chemie & Papier Holding AG	3.67%	0.08%
Bucher Industries AG	3.38%	0.85%
Chocoladefabriken Lindt & Spru	3.33%	2.89%
Total Top 15	74.17%	10.73%

Fund Profile & Key Figures

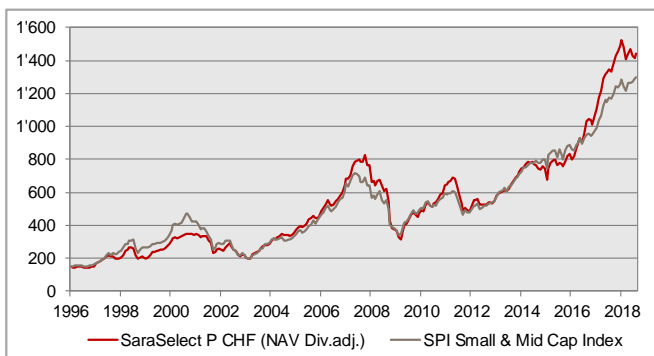
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 712.4 mn
Net Asset Value per Unit	CHF 1'442.09
Hist. Volatility*	10.97% p.a.
Tracking Error*	6.63% p.a.

*Time period 3 years, monthly observations

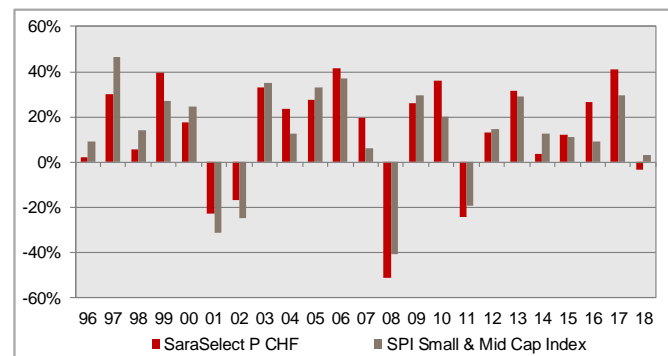
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-3.30%	1.94%	8.44%	23.03% p.a.	17.22% p.a.	8.81% p.a.	10.64% p.a.
Index	3.11%	0.60%	11.14%	16.22% p.a.	15.17% p.a.	8.91% p.a.	10.11% p.a.

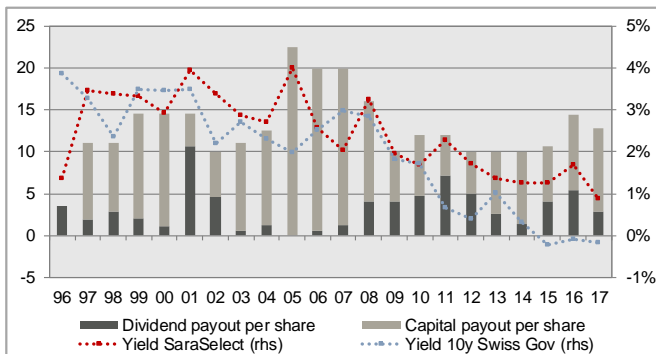
Cumulative Performance since Inception



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%	-2.32%	-5.26%	2.40%	1.70%	-2.54%	-1.02%	1.94%					-3.30%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%	0.31%	1.79%	0.60%					3.11%
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%
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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