

all data as of 31.05.2016

**Portfolio & Market Environment**

Contrary to the capital market anomaly “sell in May and go away”, the stock markets have again risen on a broad basis. An oil price stabilized at USD 50.- per barrel and waning fears of a possible fully exhaust from the EU (Brexit) as well positive corporate news were the drivers for the increase. This had a positive impact on the funds’ performance, which returned 4.94% vs. the benchmark return of 4.00%.

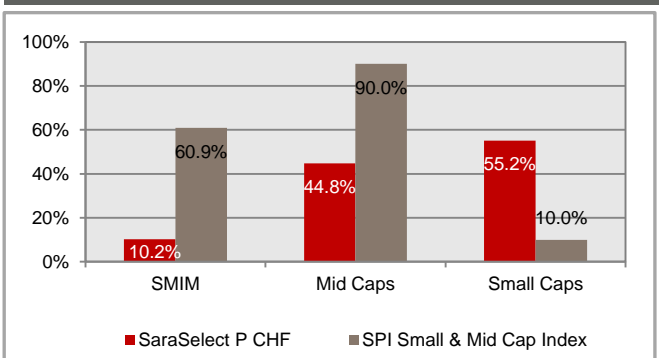
To the good monthly performance contributed the following holdings in the SaraSelect portfolio. The largest positive contributions came again from Bachem (68 bp), Interroll (51 bp), Bossard (49 bp), Dätwyler (43 bp) and Phoenix Mecano (29 bp). Our small cap positions in Lem, Gurit and Adval Tech developed also favorably. Various mid-caps had a strong run in the reporting period and were in high demand by investors. Not to be invested in these names had a negative impact on performance. Negative contributions came from Partners Group (-32 bp), Lonza (-32 bp), Swiss Life (-25 bp), Baloiese (-21 bp) and Straumann (-21 bp). After the good quarterly figures the positive mood was translated in higher stock prices in May. Volatility could increase in the month of May, since the interest rate decision of the FED and the voting in the UK on Brexit are pending.

**Noticed...**

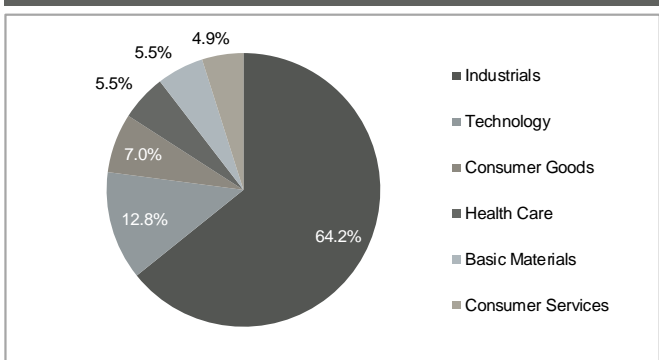
Almost quite boring, but steadily Schweiter has reached a new annual high. The stock has risen 18.18% and clearly beaten the BM (4.49%). This development does not surprise as the company is managed carefully by CEO Heinz Baumgartner for years. The CEO can also rely on a professional board of directors which is packed with successful CEOs. In the board we find the CEOs of Sonova, Bucher and SIKA as well the former CEO of Schweiter, Beat Siegrist. The board is complemented by Vanessa Frey (main shareholder). Schweiter uses a portfolio approach and continually reviews if they are the best owner for its divisions. So Ismecca and Satisloh were bought and thereafter resold at a much higher price. The cash obtained had to wait until they found the attractive 3 A Composite which is the leader in core materials. This pearl was strengthened by bolt-on acquisitions in recent years. Schweiter clearly reveals what a company can achieve if a defined strategy can be implemented with a long-term view. The shareholder will continue to enjoy the stock!

Markets can stay irrational longer than you solvent.  
John Maynard Keynes

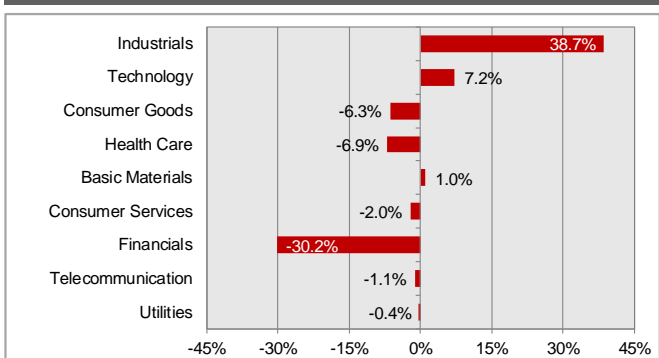
**Segment Allocation**



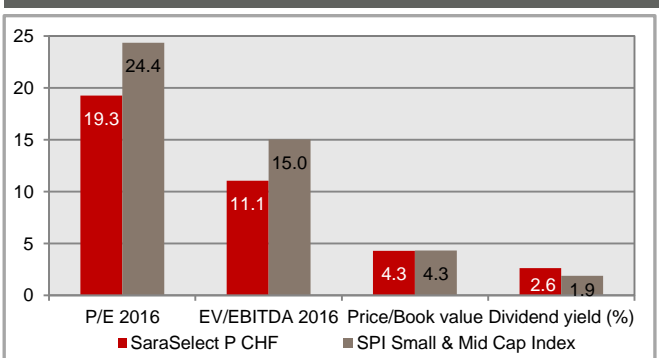
**Industry Allocation**



**Industries relative to Benchmark**



**Valuation**



### Largest Positions

	Fund	Index
LEM Holding SA	8.74%	0.28%
Bossard Holding AG	7.42%	0.29%
Bell AG	6.87%	0.25%
Daetwyler Holding AG	7.00%	0.59%
ALSO Holding AG	6.09%	0.09%
Bobst Group AG	5.93%	0.20%
Belimo Holding AG	5.26%	0.64%
Phoenix Mecano AG	4.97%	0.59%
Sika AG	4.92%	4.41%
Bucher Industries AG	4.57%	0.73%
Bachem Holding AG	4.95%	0.15%
Interroll Holding AG	4.12%	0.31%
dorma+kaba Holding AG	3.74%	1.07%
Huber & Suhner AG	3.49%	0.35%
Orell Fuessli Holding AG	2.80%	0.05%
<b>Total Top 15</b>	<b>80.87%</b>	<b>9.54%</b>

### Fund Profile & Key Figures

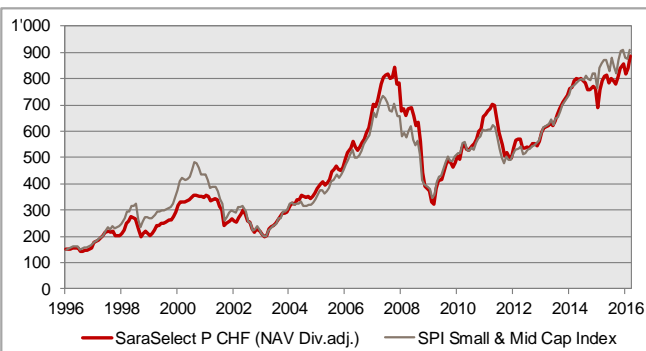
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 459.1mn
Net Asset Value per Unit	CHF 952.46
Hist. Volatility*	13.01% p.a.
Tracking Error*	8.33% p.a.

\*Time period 3 years, monthly observation

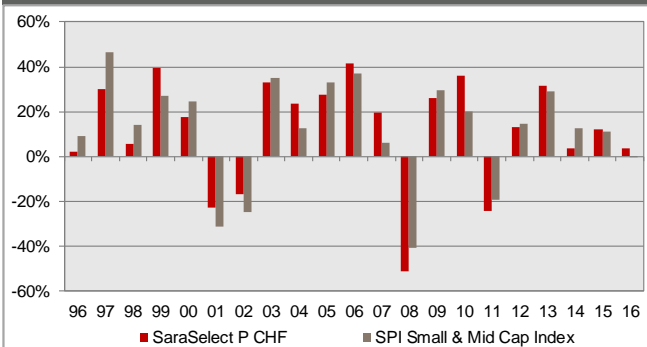
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	11.37%	4.94%	16.91%	14.76% p.a.	6.44% p.a.	5.88% p.a.	9.46% p.a.
Index	4.49%	4.00%	9.22%	13.94% p.a.	9.17% p.a.	6.63% p.a.	9.48% p.a.

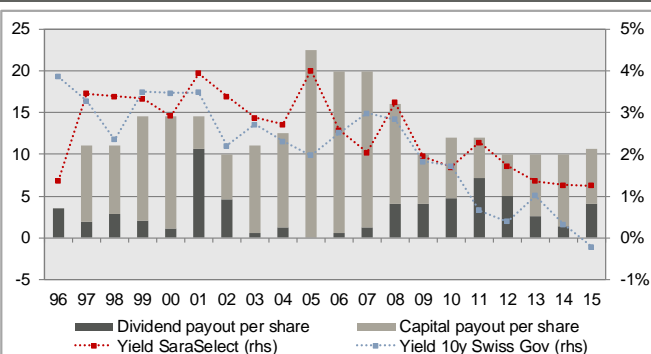
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distributions per share



Year	Dividend	Capital Gain*	Total
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
2016	Fund	-4.55%	2.84%	5.78%	2.20%	4.94%								11.37%
	Index	-3.63%	-0.08%	3.56%	0.75%	4.00%								4.49%
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%
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%

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