

all data as of 31.05.2018

Portfolio & Market Environment

Due to weaker months before, the markets had a good start into May, but increasing political tensions lead to setbacks and volatility toward the end of the month. Quarterly results have been very constructive overall. The small caps lost 0.04% and mid caps only a bit more with -0.16%. The large caps experienced a terrible performance of -4.37%. SaraSelects overweight in small caps lead to an increase of 1.70%, outperforming the benchmark, which lost 0.14%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from LEM (56 bp), Sika (53 bp) and Schaffner (41 bp). The performance was negatively influenced by not being invested in Temenos (-49 bp), Sonova (-16 bp), and Tecan (-6 bp) and from our overweight in Adval Tech (-8 bp). Market participants remain nervous, political outcomes in Europe will drive short-term volatility. US interest rates have not taken the 3% mark in a sustained manner yet, which should lead to further advances of equity markets.

Noticed... volatility in VAT

An increasing volatility affected the stock of the undisputed world market leader (market share of over 50%) for vacuum valves (doors of the deposition chambers) VAT, this due to diverging statements of bigger clients/market participants like Applied Materials or Micron Technologies.

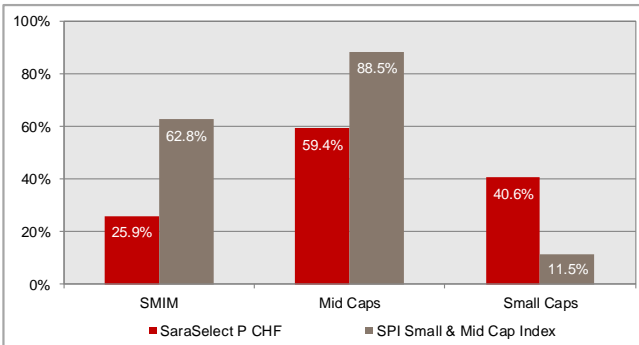
Important is to keep in mind that all the needs of measurement (sensors), data processing + storage, the autonomous driving, virtual reality and artificial reality all require tremendous amounts of chips and storage which are all produced in vacuum. New concepts and approaches made possible thanks to digitalization lead to high structural growth rates for the coming years. On top there are certain geo-strategic ambitions of China which are enhancing the existing semicon super cycle even further.

Therefore, set-backs in VAT shares should be considered as buying opportunities for all those that did not have the chance to get historic exposure. Even after a strong future slowdown of todays 20% annual growth rate, VAT seems attractively valued with its 2018 24x PE multiple.

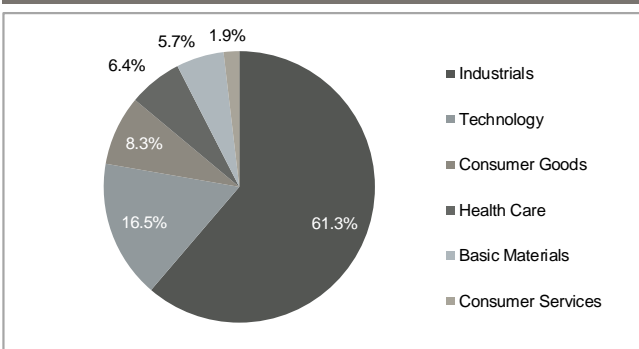
Risk comes from not knowing what you're doing.

Warren Buffet

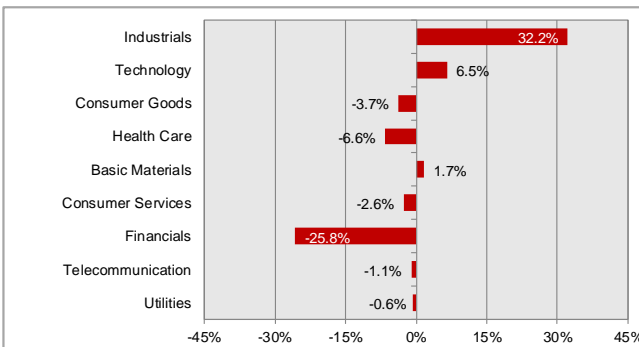
Segment Allocation



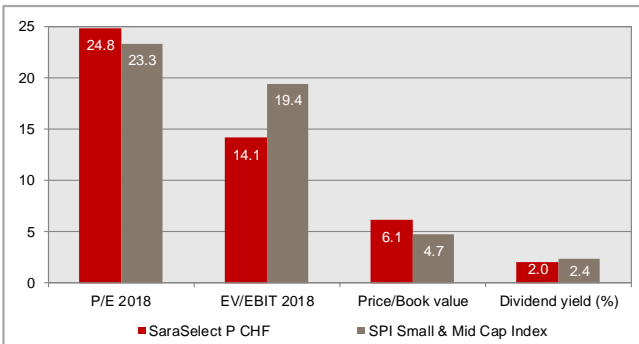
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
LEM Holding SA	8.31%	0.44%
ALSO Holding AG	6.60%	0.31%
Bobst Group SA	6.45%	0.33%
Bossard Holding AG	6.27%	0.44%
Sika AG	5.49%	0.00%
Daetwyler Holding AG	5.07%	0.60%
Bachem Holding AG	4.58%	0.25%
Belimo Holding AG	4.28%	0.77%
Interroll Holding AG	3.97%	0.45%
Logitech International SA	3.71%	2.81%
Bucher Industries AG	3.47%	0.95%
CPH Chemie & Papier Holding AG	3.44%	0.09%
Bell Food Group AG	3.16%	0.28%
Chocoladefabriken Lindt & Spru	2.86%	2.69%
Schaffner Holding AG	2.69%	0.07%

Fund Profile & Key Figures

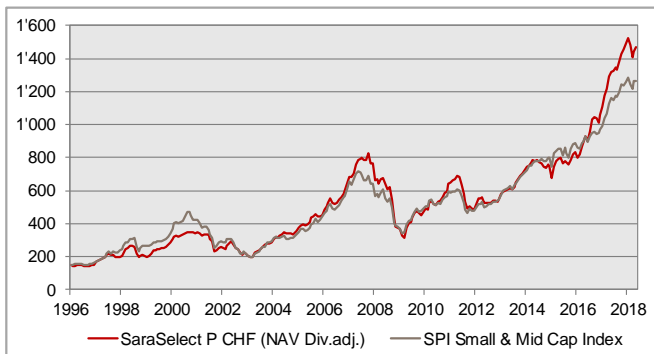
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 716.4 mn
Net Asset Value per Unit	CHF 1'466.54
Hist. Volatility*	11.14% p.a.
Tracking Error*	6.74% p.a.

*Time period 3 years, monthly observations

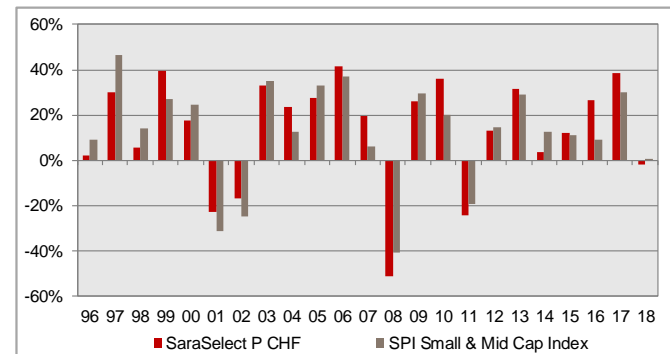
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-1.66%	1.70%	10.94%	22.55% p.a.	18.94% p.a.	8.10% p.a.	10.85% p.a.
Index	0.39%	-0.14%	8.89%	14.05% p.a.	14.98% p.a.	7.64% p.a.	10.10% p.a.

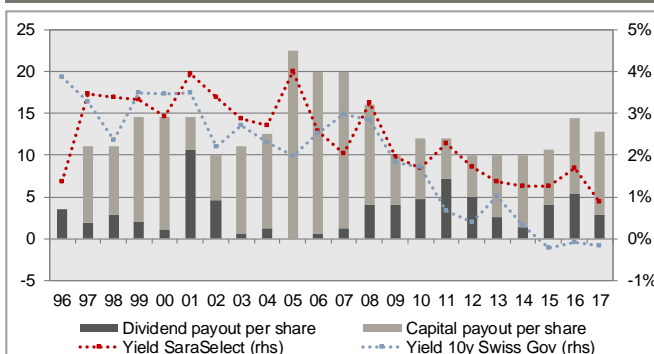
Cumulative Performance since Inception



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%								-1.66%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%								0.39%
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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