

all data as of 31.07.2013

Portfolio & Market Environment

Different representatives of the FED were able to calm down markets again and led to an over proportional good July. The SaraSelect fund increased by +2.60%, but stood behind the benchmark which increased by an impressive +4.25%.

Our portfolio heavy weights Bachem (+9.27%), Interroll (+6.96%), Bossard (+5.80%) and Phoenix Mecano (+4.95%) delivered the biggest positive performance contributions. But also Sika (+5.52%) continued its rise after a solid half year report. Galenica was dynamized (+19.53%) by the approval of the FDA for their iron franchise Injectafer/Ferinject but also Cham Paper Group (+10.71%) had a good run after reporting the sale of their two paper factories in Italy.

Publigruppe (-17.93%) belonged to the few losers after releasing a profit warning that the Media Sales division would be loss making again, contrary to the announcement in March. Gurit (-4.70%) also lost some ground after publishing lower than expected half year figures.

Global stock markets have experience an improvement of sentiment in July. The US economic data is surprising to the upside even though the employment market is still lacking a bigger rebound and the economy has a better momentum than Europe or China, that seems to be stabilizing. But also in Europe the companies seem to become more optimistic. The PMI for the euro zone rose to 50.3 and is back in the growth area for the first time in two years. In Switzerland it rose to an impressive 57.4.

The SMIM Index (30 most liquid mid caps) profited most from the improving environment and surged +4.28% followed by the SMI Index (+1.79%) and the Small Cap Index (+1.59%). The valuation premium of the liquid stocks compared to the small caps has increased up to 73% on an EV/EBITDA 2014 basis. But, a liquidity driven multiple expansion always contains the danger of setbacks after disappointments, as nicely demonstrated by Sulzer.

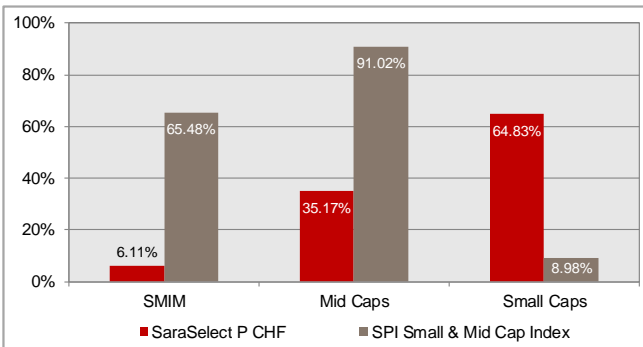
Noticed...

Last December, Bachem traded at lows of about CHF 33.50. But with better than expected operating results for 2012, the price surged to a new trading range at around CHF 38. After the announcement of the co-developed pioneering breakthrough in the chemical synthesis of Interferon β -1a by Bachem and GlyTech, some investors again recognize the future potential of the specialized peptide company. With the improved perception, the shares reached a new price and valuation level at CHF 44. Interferon β -1a is a 166 amino acid long glycosylated protein and an approved drug substance to treat multiple sclerosis with a world market of more than \$ 4 billion.

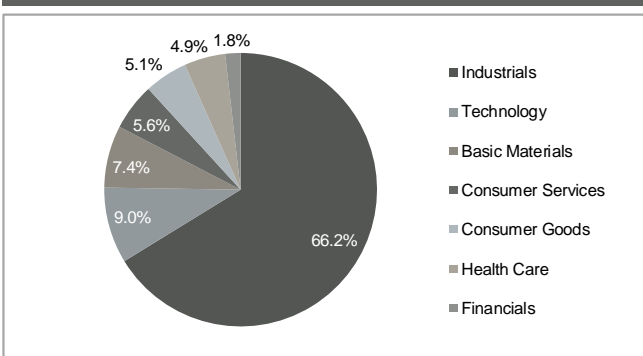
If stock market experts were so expert, they would be buying stock, not selling advice.

Norman Augustine, former chairman of Lockheed Martin

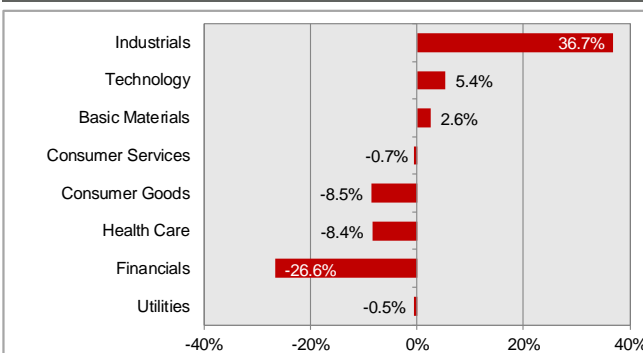
Segment Allocation



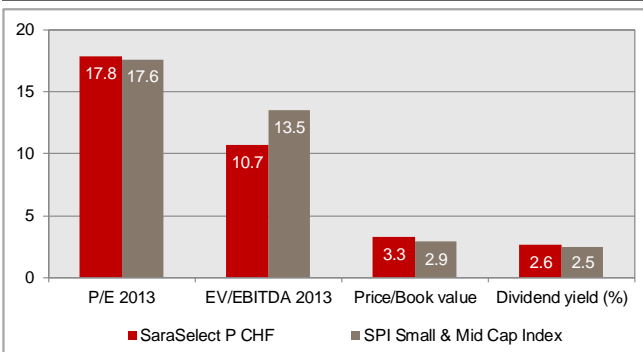
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fonds	Index
LEM Holding SA	8.68%	0.23%
Daetwyler Holding AG	7.94%	0.40%
Bossard Holding AG	6.78%	0.25%
Belimo Holding AG	6.44%	0.61%
Interroll Holding AG	5.69%	0.16%
Phoenix Mecano AG	5.29%	0.19%
Bell AG	5.05%	0.17%
Bachem Holding AG	6.44%	0.61%
Bucher Industries AG	4.86%	0.94%
Kaba Holding AG	4.29%	0.86%
Sika AG	4.09%	3.37%
CPH Chemie & Papier Holding AG	4.00%	0.10%
Huber & Suhner AG	3.63%	0.37%
ALSO Holding AG	3.26%	0.07%
Bobst Group AG	2.96%	0.13%
Total Top 15	77.98%	7.97%

Fund Profile & Key Figures

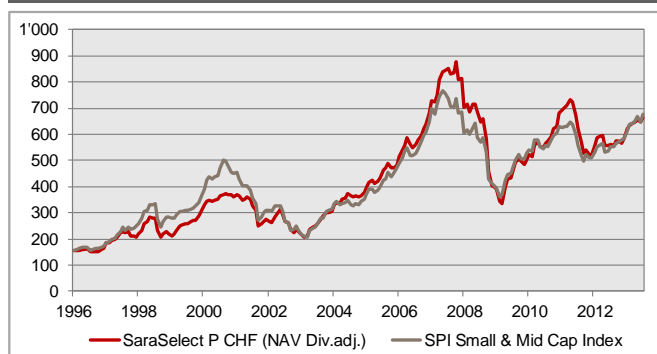
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Dep. Peter Lehner)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 567.7 mn
Net Asset Value per Unit	CHF 664.62
Hist. Volatility*	14.05% p.a.
Tracking Error*	5.92% p.a.

*Time period 3 years, monthly observation

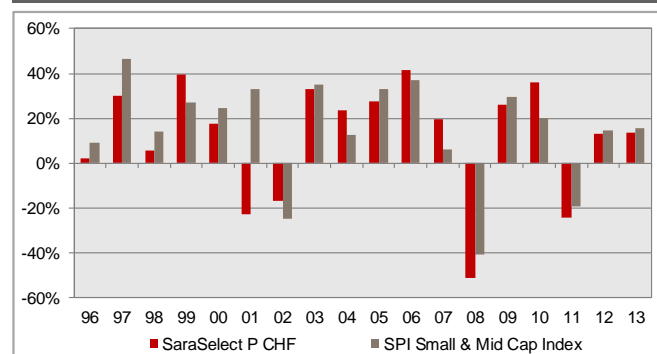
Performance Overview

Fund	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
SaraSelect P CHF	13.81%	2.60%	18.15%	5.51% p.a.	0.59% p.a.	9.91% p.a.	8.62% p.a.
Index	15.41%	4.25%	22.18%	6.56% p.a.	3.42% p.a.	10.05% p.a.	8.70% p.a.

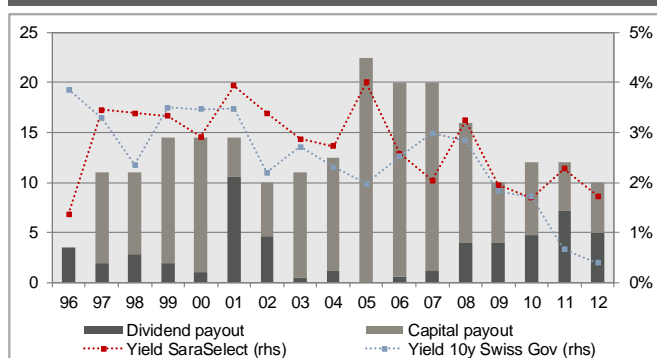
Cumulative Performance since Inception



Yearly Performance since Inception



Distribution



Year	Dividend	Capital Gain*	Total
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
2004	1.20	11.30	12.50
2003	0.50	10.50	11.00

*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
2013	Fund	6.21%	2.56%	1.10%	0.51%	1.32%	-1.09%	2.60%						13.81%
	Index	4.68%	4.38%	0.90%	1.35%	2.36%	-3.21%	4.25%						15.41%
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%
2009	Fund	-2.24%	-11.31%	-2.41%	18.43%	7.13%	1.61%	6.81%	6.58%	2.73%	-2.06%	-2.88%	3.79%	25.93%
	Index	-2.89%	-8.32%	2.74%	14.33%	5.06%	1.12%	5.46%	5.56%	4.62%	-3.81%	0.50%	3.65%	29.65%
2008	Fund	-13.58%	1.38%	-4.04%	4.33%	0.30%	-4.40%	-5.68%	2.15%	-11.75%	-21.34%	-11.41%	-1.79%	-51.05%
	Index	-11.98%	2.51%	-3.30%	4.63%	2.86%	-8.54%	-3.16%	3.09%	-9.44%	-19.26%	-3.82%	-1.98%	-40.89%