

All data as of 28.02.2019

Portfolio & Market Environment

After the good start into the year, February also showed a positive return, especially since market participants assume a positive outcome of the trade dispute. The overall market (SPI) made 4.28% in the reporting period. The small caps gained 0.94% and mid caps advanced 2.65%. The large caps were up by 4.70%. The overweighting of small caps in the fund meant that it returned 1.05%. It performed worse than the benchmark, which advanced by 2.46%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from Belimo (35 bp), CPH (26 bp), Gurit (19 bp), Sika (18 bp) and Also (15 bp). The performance was negatively influenced by not being invested in Swiss Life (-36 bp), Temenos (-28 bp), Straumann (-27 bp), our overweight in Bell (-29 bp) and the underweights in EMS (-22 bp) and Schindler (-22bp). The strategists assume a general slowdown, but not a recession in the economy. This should basically support the upward trend on the stock markets.

Noticed... Sika's defensive nature

In order to invest rule-based, the financial industry has to try to categorize everything. Therefore all companies are analysed and then categorized into different sectors and industries (depending on the provider of the index; ICB vs GICS), according to their exposures in them.

Accordingly the perceived nature of businesses is defined. Sectors like "food", "pharma" and "utilities" are perceived as defensive, others like "materials", "industrials" or "consumer discretionary" as cyclical, independent of the nature of the cycle (early-, mid- or late-cyclical).

Since Sika gets categorized in "materials" or "industrials" (again depending on the provider of the index), the market perceives the company as a cyclical one and uses it that way.

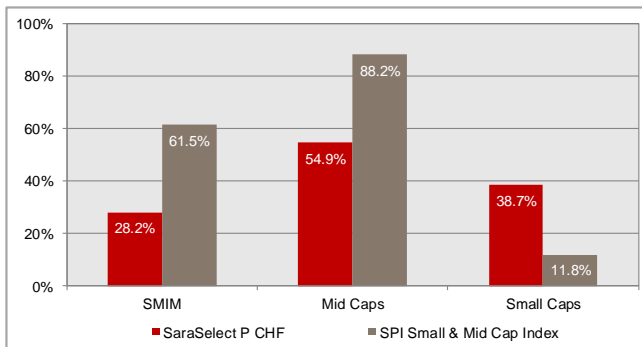
The fact that during the financial crises Sika only had a EBIT margin setback from 11.2% to 9.1% and still was able to generate a EBITDA of CHF 556mn in 2008 demonstrates nicely, how unlucky the categorization into "cyclicals" is, this especially because the business model has proven almost as defensive as the hyper defensive Nestlé during the financial crisis.

Today both companies, Sika and Nestlé are valued at a 2019 EV/EBITDA of 15.5x, even-though Sika's double as high organic growth and the much higher return on capital employed.

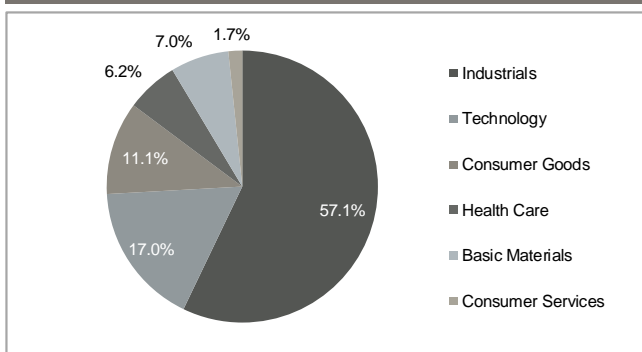
Not the news make the prices, the prices make the news.

André Kostolany

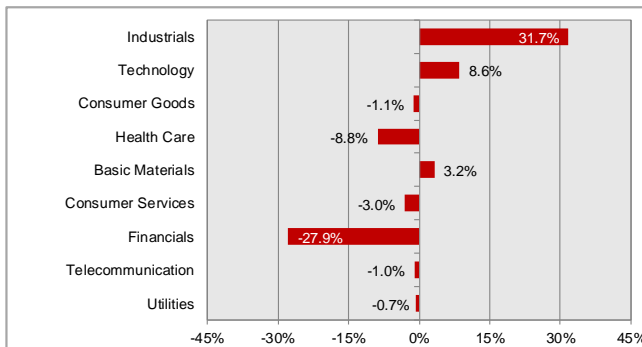
Segment Allocation



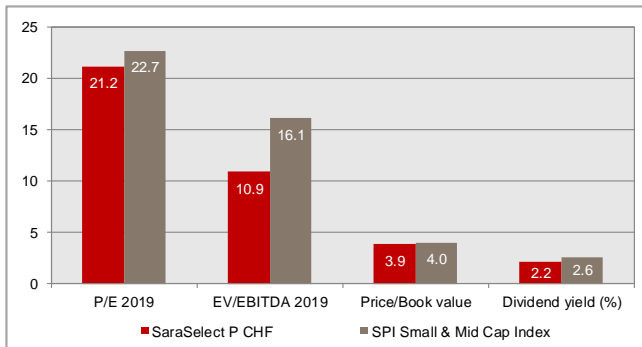
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
ALSO Holding AG	7.48%	0.33%
LEM Holding SA	6.31%	0.27%
Sika AG	5.98%	0.00%
Bell Food Group AG	5.42%	0.25%
Bossard Holding AG	5.35%	0.36%
Belimo Holding AG	5.07%	0.94%
Bobst Group SA	4.97%	0.24%
Interroll Holding AG	4.39%	0.47%
Bachem Holding AG	4.31%	0.22%
Daetwyler Holding AG	4.13%	0.46%
CPH Chemie & Papier Holding AG	3.90%	0.09%
Logitech International SA	3.66%	2.61%
Huber + Suhner AG	3.24%	0.42%
Phoenix Mecano AG	3.20%	0.12%
Bucher Industries AG	3.20%	0.83%
Total Top 15	70.63%	7.61%

Fund Profile & Key Figures

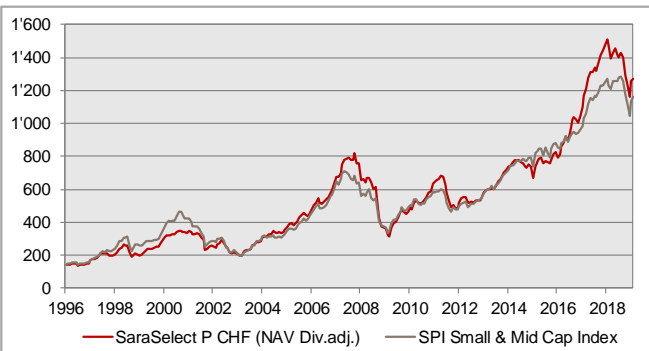
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 666.2 mn
Net Asset Value per Unit	CHF 1'270.81
Hist. Volatility*	13.57% p.a.
Tracking Error*	6.16% p.a.

*Time period 3 years, monthly observations

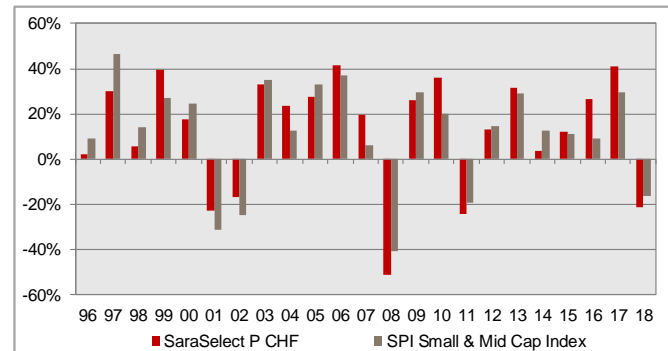
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	9.31%	1.05%	-13.82%	16.35% p.a.	11.29% p.a.	14.71% p.a.	9.83% p.a.
Index	11.45%	2.46%	-5.62%	11.06% p.a.	9.35% p.a.	13.20% p.a.	9.55% p.a.

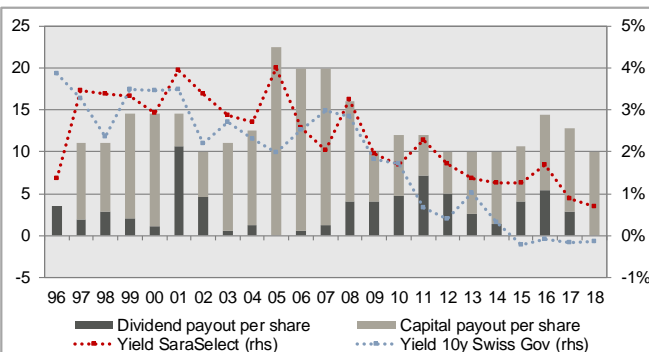
Cumulative Performance since Inception



Yearly Performance since Inception



Distribution per Share



Year	Dividend	Capital Gain*	Total
2018	0.00	10.00	10.00
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

*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
2019	Fund	8.17%	1.05%											9.31%
	Index	8.77%	2.46%											11.45%
2018	Fund	2.04%	-2.32%	-5.26%	2.40%	1.70%	-2.54%	-1.02%	1.94%	-2.22%	-7.52%	-5.04%	-5.35%	-21.42%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%	0.31%	1.79%	0.60%	-2.29%	-6.67%	-5.06%	-6.36%	-16.40%
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%

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