

All data as of 30.09.2018

### Portfolio & Market Environment

Although the US government had ignited the next escalation stage in the trade dispute with China, the markets reacted calmly to the new punitive tariffs. The overall market (SPI) advanced 0.63% in the reporting period. The small caps lost 0.93% and mid caps -2.45%. The large caps achieved a performance of 1.38%. The overweighting of small caps in the fund led to a set back of 2.22%. It performed better than the benchmark, which lost 2.29%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from Also (40 bp), Schaffner (19 bp), Bell (18 bp) and not being invested in Temenos (36 bp) and underweighted in Lindt & Sprüngli (20 bp). The performance was negatively influenced by Lem (-37 bp), Belimo (-20 bp) and not being invested in Swiss Life (-27 bp) and Sonova (-23 bp). The global economic environment speaks for further increases in corporate profits. As long as no end to the economic upswing is foreseeable, share prices should continue to rise even though volatility is increased by the trade conflict.

### Noticed... Share buyback Sonova

Sonova has announced a CHF 1.5bn share buyback on 31 August 2018. It will be executed over the course of the next 3 years and will make up a daily average volume of over 15'000 shares, just half of today's average volume. It therefore is visible that the buyback should have a strong, substantial positive share-price impact. This explains the strong purchases of different market participants over the course of the last weeks.

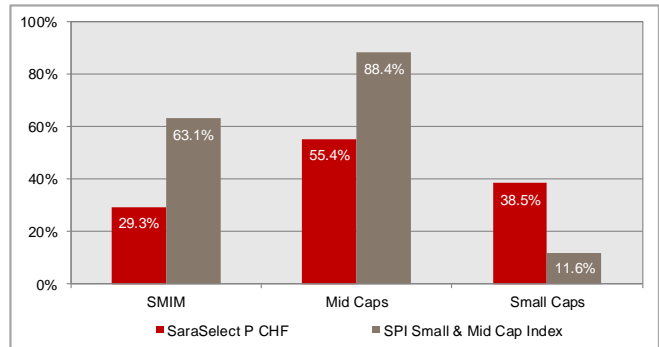
Why does the company buy back shares almost at record levels? Don't they have better operating opportunities? Is the Sonova house already built, aren't there any meaningful technological, geographical or strategic opportunities left? Does the large board comprising of nine members want to increase its own company valuation in order to then later do a last transformational acquisition? We will see...

Not wanting to become a bank and therefore disburse all excess cash is a laudable move, especially in the context of the large AudioNova acquisition done just a few years ago, where customers especially in Germany were not too amused by the upcoming competition of their former partner. The 2019 PE of 25.5x does not indicate too much upside either.

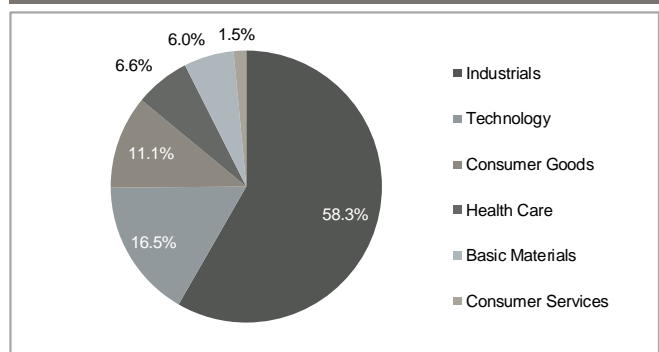
Just because a stock falls doesn't mean it can't fall any further .

*Peter Lynch*

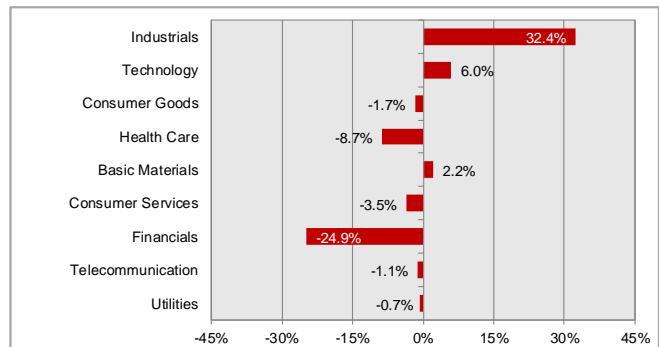
### Segment Allocation



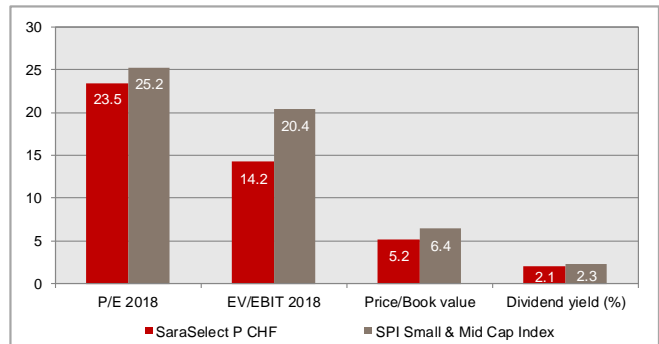
### Industry Allocation



### Industries relative to Benchmark




### Valuations



### Largest Positions

	Fund	Index
ALSO Holding AG	6.73%	0.27%
Bossard Holding AG	6.22%	0.41%
Sika AG	6.09%	0.00%
LEM Holding SA	5.91%	0.26%
Bell Food Group AG	5.51%	0.24%
Daetwyler Holding AG	5.05%	0.52%
Belimo Holding AG	4.87%	0.91%
Bobst Group SA	4.69%	0.24%
Bachem Holding AG	4.64%	0.23%
Interroll Holding AG	4.55%	0.49%
Phoenix Mecano AG	4.14%	0.15%
Logitech International SA	4.11%	3.07%
CPH Chemie & Papier Holding AG	3.77%	0.08%
Chocoladefabriken Lindt & Spru	3.18%	2.87%
Bucher Industries AG	3.13%	0.84%
<b>Total Top 15</b>	<b>72.59%</b>	<b>10.57%</b>

### Fund Profile & Key Figures

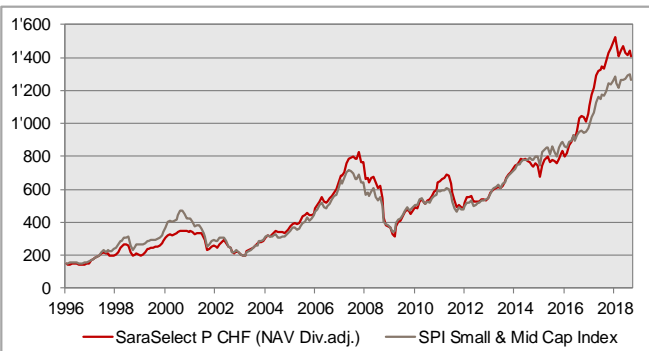
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 700.2 mn
Net Asset Value per Unit	CHF 1'410.07
Hist. Volatility*	11.05% p.a.
Tracking Error*	6.60% p.a.

\*Time period 3 years, monthly observations

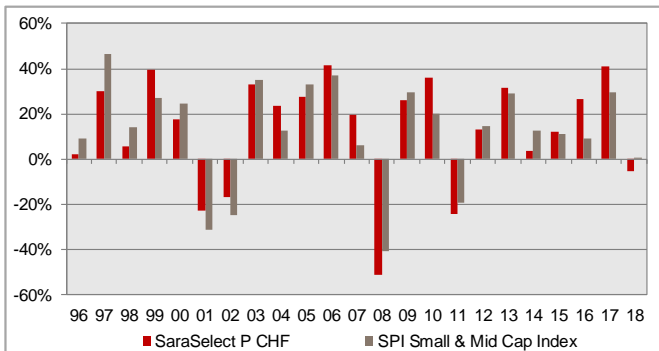
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-5.45%	-2.22%	2.13%	22.77% p.a.	16.04% p.a.	9.93% p.a.	10.49% p.a.
Index	0.75%	-2.29%	5.94%	16.53% p.a.	13.97% p.a.	9.74% p.a.	9.96% p.a.

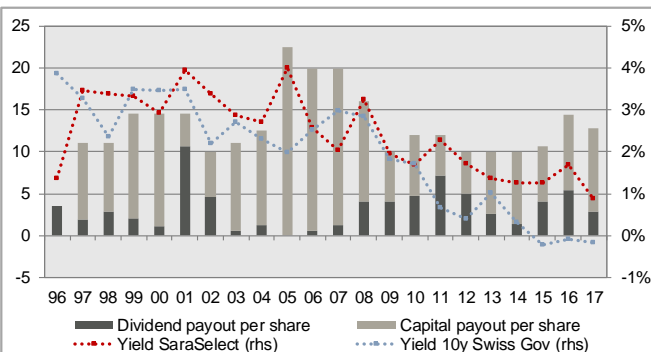
### Cumulative Performance since Inception



### 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%	-2.22%				-5.45%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%	0.31%	1.79%	0.60%	-2.29%				0.75%
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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