

all data as of 31.01.2016

Portfolio & Market Environment

Given the strong performance of the last trading days in 2015 the basis was laid for disappointment potential. Very little additional uncertainty from Asia, i.e. China and the low volume markets reacted strongly negative. The index lost almost 9% until 20 January. SaraSelect could partially avoid the total sell-out, losing 2.5% less. The last trading days of month meant a heavy rebound, driven by short-coverings triggered by the improving Asian markets. At the end of the month, SaraSelect (-4.55%) was slightly behind the benchmark (-3.63%).

Only 8 portfolio companies closed the month in positive territory. The three heavy-weights Bell (+6.19%), Sika (+1.02%) and Ascom (+2.25%) had the biggest contributions to the portfolio. Orell Füssli, Logitech, OC Oerlikon, Komax and Bachem also had minor contributions.

Very different were the trading patterns for Bossard (-13.83%). The commodity price related missing investments of US farmers lead to a disappointing weakness of Bossards big client John Deere, triggering some profit taking. The (too) slow recovery of Daetwylers Technical Components division disappointed some investors. Also stock was hammered without any notable news from CHF 70.-- to 62.--, offering a very attractive entry level again.

The renewed turbulences have impressively demonstrated to the financial community how fast the mood can temporarily change and where the dangers of an increasing pro-cyclicality lay. A stringent focus on the solidity of balance sheets and a stability of business models has become opportune again.

Noticed...

Last Friday's announcement of the introduction of a negative interest rate of -0.1% in Japan is to be seen as the latest example of a long list of market distortions by central bank around the world.

As it is well known, markets have their own mechanism and are not influenceable ad infinitum. The longer and the bigger distortions are, the more reactive an adaptation to market equilibriums will be. Because the FED has actively created a reflation environment for more than the last 7 years and the ECB and the BOJ have also started to do so since 2012, the last proof of competitive currency devaluations is accomplished.

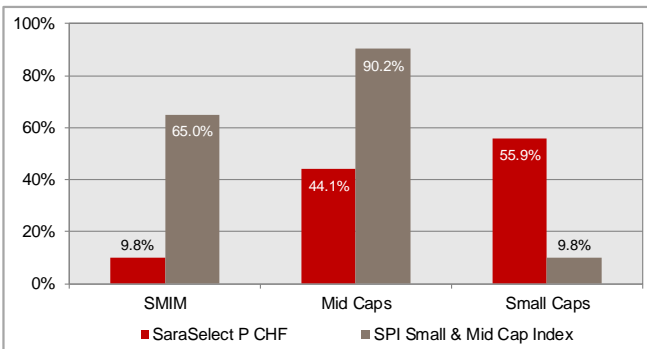
How to proceed? When will the educated citizen lose faith in states and how shall we protect ourselves from this collective madness?

Participations in needed production factors are one reasonable choice. Companies like Siemens or Thyssen Krupp have well survived the Second World War volatilities and are earning good cash for their loyal shareholders as market leaders today.

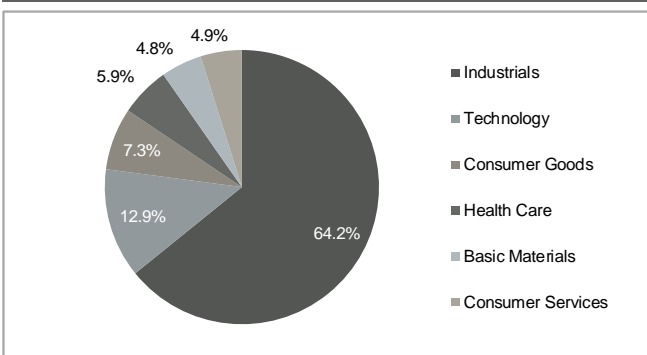
Share prices do reflect the expectations of the next days already.

Author un-known

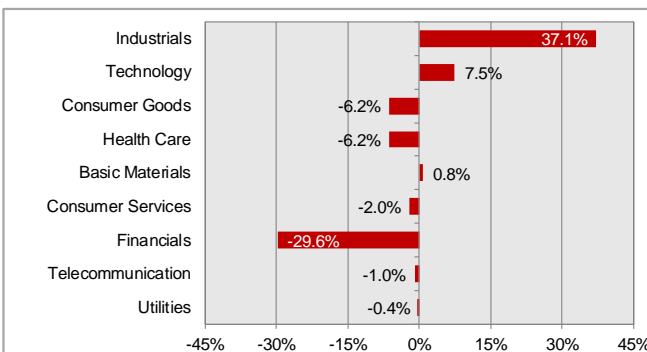
Segment Allocation



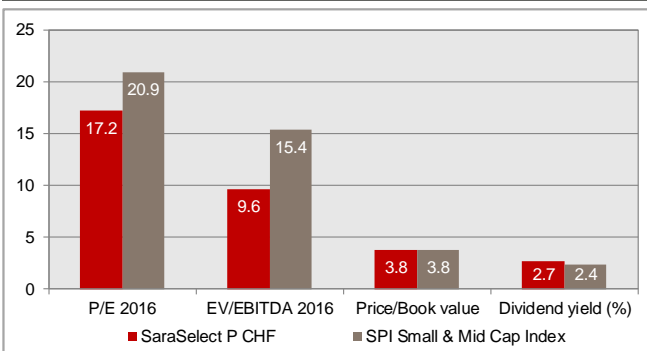
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	8.59%	0.24%
Bell AG	7.28%	0.24%
Bossard Holding AG	7.00%	0.25%
Daetwyler Holding AG	6.41%	0.51%
Bachem Holding AG	5.96%	0.10%
ALSO Holding AG	5.95%	0.08%
Bobst Group AG	5.11%	0.16%
Phoenix Mecano AG	4.97%	0.51%
Interroll Holding AG	4.93%	0.25%
Bucher Industries AG	4.78%	0.67%
Belimo Holding AG	4.65%	0.52%
Sika AG	4.44%	3.82%
dorma+kaba Holding AG	3.91%	1.03%
Huber & Suhner AG	3.71%	0.31%
Schaffner Holding AG	3.19%	0.06%
Total Top 15	80.87%	8.37%

Fund Profile & Key Figures

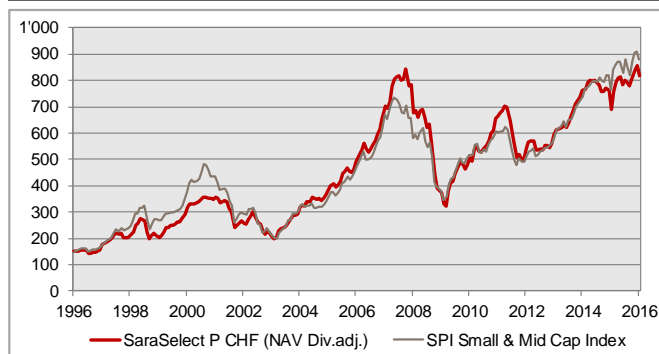
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 411.4mn
Net Asset Value per Unit	CHF 816.31
Hist. Volatility*	11.21% p.a.
Tracking Error*	6.41% p.a.

*Time period 3 years, monthly observation

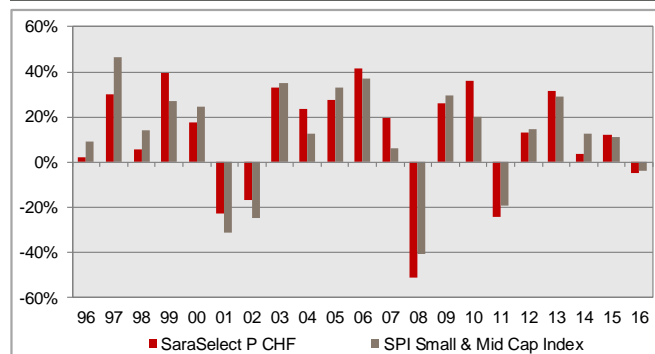
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-4.55%	-4.55%	18.18%	11.02% p.a.	4.16% p.a.	5.17% p.a.	8.78% p.a.
Index	-3.63%	-3.63%	15.04%	14.25% p.a.	7.90% p.a.	6.40% p.a.	9.21% p.a.

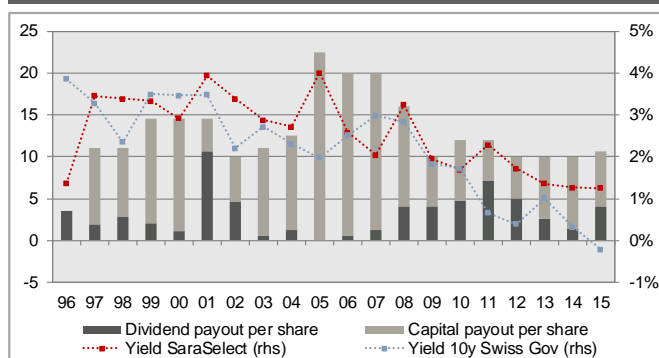
Cumulative Performance since Inception



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%												-4.55%
	Index -3.63%												-3.63%
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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