

All data as of 31.08.2019

Portfolio & Market Environment

The escalation in the trade conflict between the USA and China is being tightened further. Both counterparties overdid themselves with additional penalties and threats, putting pressure on the global markets. The SPI Index went up by 0.03% in the reporting period. The small caps dropped 0.96% and mid caps by 1.79%. The large caps achieved a performance of 0.37%. The overweight of industrial small caps meant that the fund lost 5.15%. It underperformed the benchmark, which declined by 1.71%.

The monthly performance of the SaraSelect portfolio was significantly influenced by the following holdings. The largest positive contributions were made by Bachem (45 bp) and not being invested in Temenos (24 bp) as well in Baloise (20 bp). Performance was negatively impacted by Belimo (-75 bp), Huber + Suhner (-69 bp), Also (-63 bp), Lem (-60 bp), Interroll (-40 bp) and Bell (-31 bp). The trade conflict is leaving its marks on economic growth worldwide. The central banks will react to this dent with a renewed expansive policy, which should favor equities.

Noticed... German car production

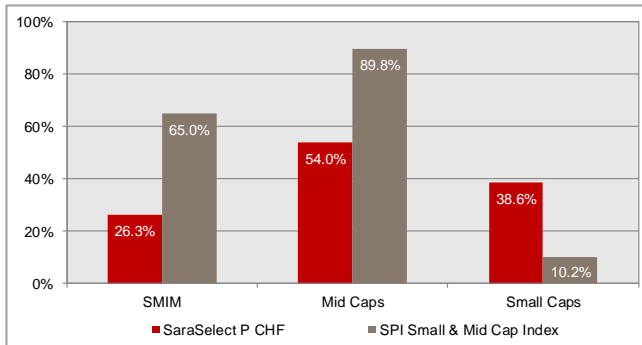
Germany accounts for about 5.5mn of the 92mn yearly globally produced cars, this already for many years. This means that there are over 460k cars produced in Germany on average (monthly), all within the range of 300k – 600k. Volatile monthly rates are misleading. It makes much more sense to use a 12-month moving averages instead of comparing monthly production rates y-o-y alone. Due to the WLTP capacity constraints after the diesel scandal, there has been a noticeable slowdown of production rates, especially compared to the strong 2017. Since many bottlenecks have been resolved and many consumers have pushed out there car purchase decision in order to assess the long awaited reaction of German e-cars producers to Tesla's offering, the pent-up demand could lead to some impressive growth rates. Comparable to the situation back in 2009 when the production dropped by -15.6% from 2007 to 2009 in order to rebound thereafter from 2009 to 2011 by healthy +21.2%.

With rising production rates of the OEMs, the whole supply chain, having faced heavy inventory reductions over the past 1.5 years, would start ramping up production again, leading to better sales, utilization rates and eventually profitability. On top, the politically wanted change to green-cars could shorten the average car life of 8 years leading to a growth of yearly sold cars to over 5.5mn, triggering a short-squeeze oversold supplier stocks accompanied of some hefty price reactions in equity markets.

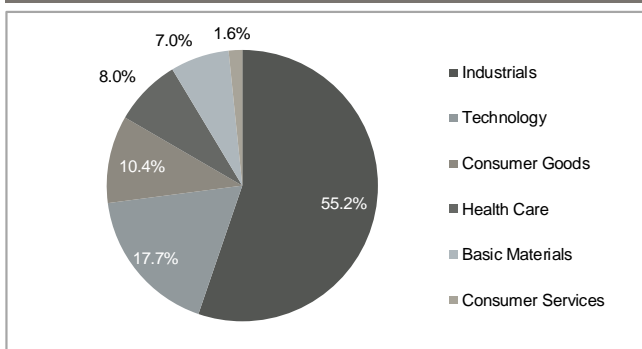
Should you have a sleepless night because of a stock market engagement, you should dissolve it immediately .

André Kostolany

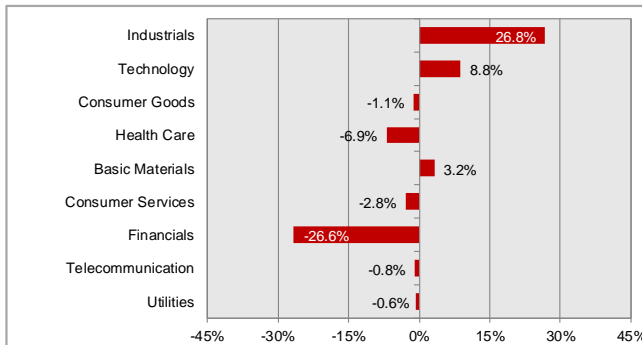
Segment Allocation



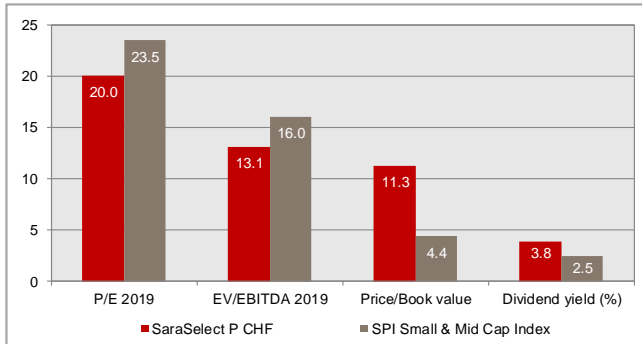
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
ALSO Holding AG	8.29%	0.14%
LEM Holding SA	6.91%	0.29%
Sika AG	6.50%	1.86%
Bachem Holding AG	5.93%	0.06%
Belimo Holding AG	5.57%	0.96%
Bell Food Group AG	4.72%	0.05%
Interroll Holding AG	4.69%	0.53%
Bossard Holding AG	4.65%	0.33%
Daetwyler Holding AG	4.47%	0.45%
Logitech International SA	4.04%	2.51%
CPH Chemie & Papier Holding AG	3.71%	0.23%
Chocoladefabriken Lindt & Spru	3.63%	2.65%
Bobst Group SA	3.28%	0.20%
Huber + Suhner AG	3.19%	0.41%
Bucher Industries AG	3.12%	0.84%
Total Top 15	72.68%	11.51%

Fund Profile & Key Figures

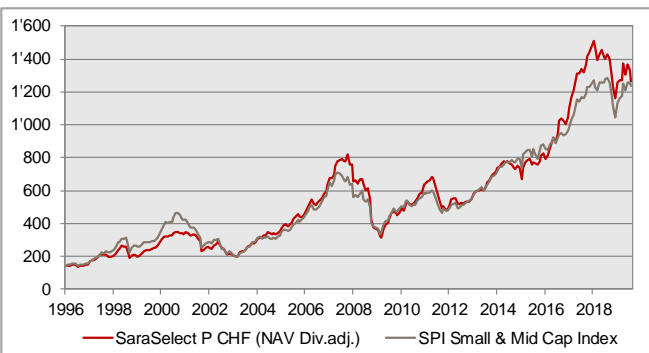
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 655.7 mn
Net Asset Value per Unit	CHF 1'263.40
Hist. Volatility*	14.11% p.a.
Tracking Error*	6.60% p.a.

*Time period 3 years, monthly observations

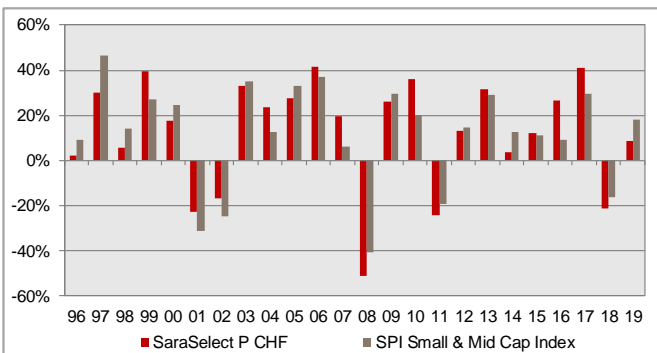
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	8.67%	-5.15%	-11.69%	7.29% p.a.	10.64% p.a.	10.60% p.a.	9.59% p.a.
Index	18.29%	-1.71%	-4.09%	9.54% p.a.	9.40% p.a.	10.20% p.a.	9.47% p.a.

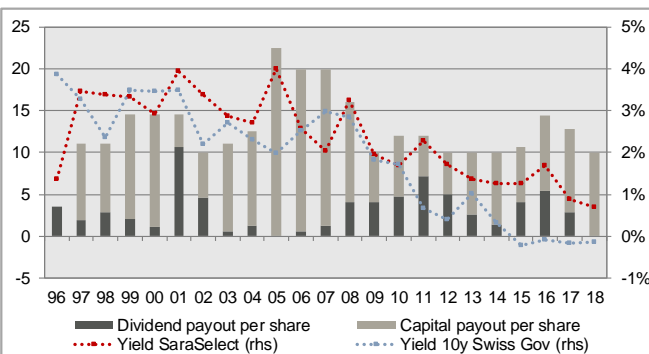
Cumulative Performance since Inception



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%	0.21%	7.86%	-5.07%	4.94%	-2.66%	-5.15%					8.67%
	Index	8.77%	2.46%	1.01%	6.20%	-3.22%	4.01%	0.00%	-1.71%					18.29%
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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