

All data as of 31.01.2019

Portfolio & Market Environment

After the worst December since 1931, the stock markets recovered massively in January, although no agreement had yet been reached in the trade dispute. In the reporting period the overall market (SPI) advanced 6.96%. The small caps gained 3.99% and mid caps soared 9.40%. The large caps were up by 6.55%. The overweighting of small caps in the fund meant that it returned 8.17% compared to benchmark, which advanced by 8.77%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from Also (101 bp), Interroll (82 bp), Lem (79 bp), Bobst (79 bp), Daetwyler (70 bp), Bossard (58 bp) and Huber + Suhner (45 bp). The performance was negatively influenced by not being invested in Sonova (-62 bp), Straumann (-51 bp), Swiss Life (-47 bp), Temenos (-44 bp) and Baloise (-40 bp). As long as the outcome of the trade dispute has not been clarified, markets will remain volatile. The latest more accomodative stance of the FED has been taken up very positively by market participants.

Noticed... Interroll

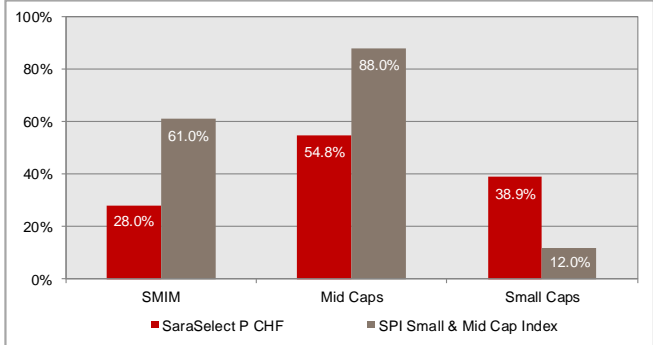
According to the efficient market hypothesis, all publically available information of a company is priced in by market participants leading to appropriate market prices and valuations. Interroll demonstrates just the contrary. Sometimes, market participants need years or even decades to wake a sleeping beauty up and correctly reflect fair valuations. Not having reached minimal sales, market capitalization or daily liquidity requirements are the main explanations for the long lasting inefficiency. But also the financial crisis and the Swiss Franc crisis 2011 have disabled market mechanisms for so long. The following market price readjustments happened accordingly fast, as soon as investor requirements were met and markets started to become fundamental and efficient again. Interroll has quadrupled its share price since 2015 from CHF 450.—to CHF 1'800.—after having been neglected by market participants the 15 years before, even though Paul Zumbühl had been CEO of the excellently lead intralogistics specialist for the last 20 years and one had to anticipate the upcoming trend and needs of e-commerce. Today, the cash-generating and debt-free company is in the sweet spot of e-commerce, leading to several positive profit warnings over the course of the last quarters. Relative valuation seem very reasonable with a 2019 EV/EBITDA of below 16x.

Four conclusions can be drawn. 1. One buys management 2. The unique selling propositions are decisive 3. Structural growth is much more important than just cyclical one 4. Patience is required, short-term thinking is leading to wrong conclusions.

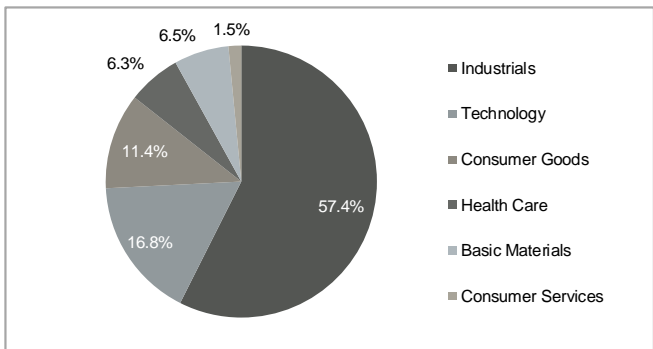
Why should I buy the second-best stock when I can have the best one?

Warren Buffet

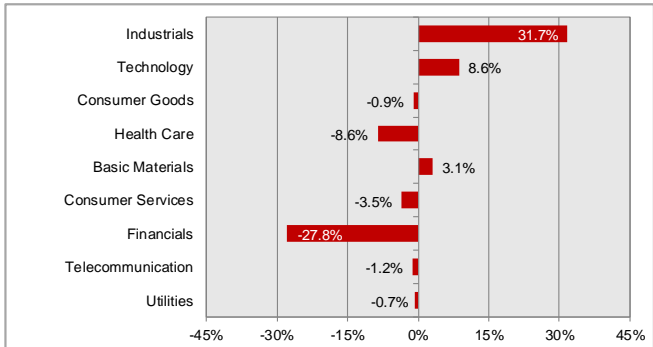
Segment Allocation



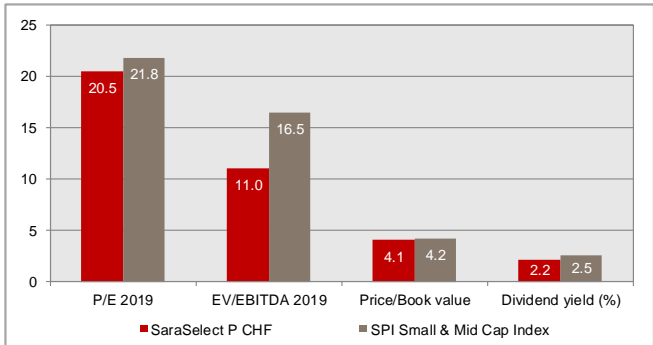
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
ALSO Holding AG	7.41%	0.33%
LEM Holding SA	6.40%	0.28%
Sika AG	5.87%	0.00%
Bell Food Group AG	5.79%	0.27%
Bossard Holding AG	5.27%	0.35%
Bobst Group SA	5.16%	0.25%
Belimo Holding AG	4.71%	0.88%
Interroll Holding AG	4.50%	0.49%
Bachem Holding AG	4.44%	0.23%
Daetwyler Holding AG	4.25%	0.48%
CPH Chemie & Papier Holding AG	3.68%	0.09%
Logitech International SA	3.58%	2.59%
Huber + Suhner AG	3.27%	0.43%
Phoenix Mecano AG	3.26%	0.13%
Bucher Industries AG	3.17%	0.83%
Total Top 15	70.75%	7.63%

Fund Profile & Key Figures

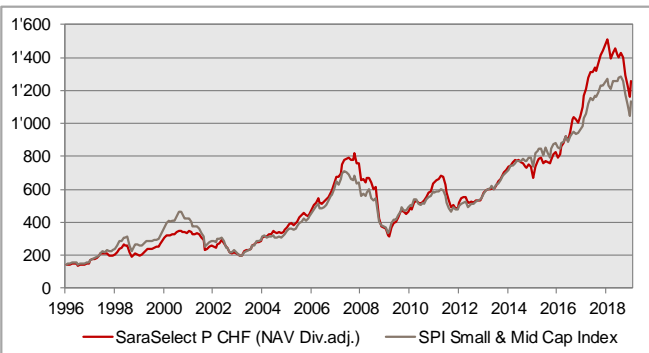
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 667.1 mn
Net Asset Value per Unit	CHF 1'257.65
Hist. Volatility*	13.76% p.a.
Tracking Error*	6.20% p.a.

*Time period 3 years, monthly observations

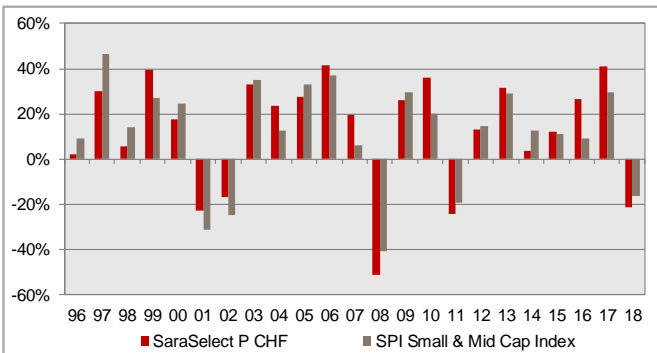
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	8.17%	8.17%	-16.69%	16.67% p.a.	11.19% p.a.	13.22% p.a.	9.84% p.a.
Index	8.77%	8.77%	-10.69%	10.08% p.a.	9.69% p.a.	11.95% p.a.	9.32% p.a.

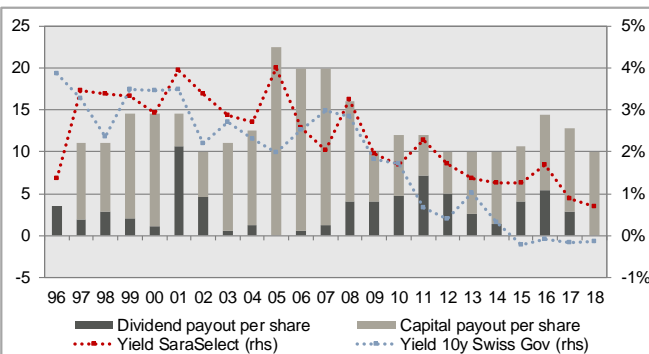
Cumulative Performance since Inception



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%												8.17%
	Index	8.77%												8.77%
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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