

### Portfolio & Market Environment

The ECB left the investors in the rain in early September. Despite slowdown in growth in the euro zone showed responsive, less than the market had expected. The decision of the FED, not yet to raise interest rates in September, was followed by a recovery on the stock markets. The selection in the fund has firmly contributed to the performance which increased by 1.46% and outperformed the benchmark, which appreciated by 1.05%.

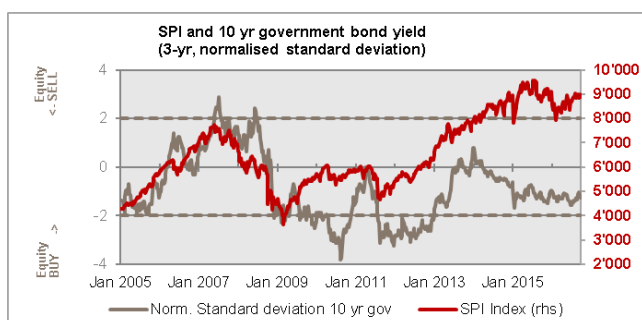
The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were made by Lem Holding (77 bp), Gurit (45 bp), Interroll (20 bp), Bachem (20 bp), Also (20 bp), Bossard (16 bp) and Huber + Suhner (16 bp). The performance was negatively affected by not being invested in Partners Group (-40 bp), Arzta (-17 bp) and G. Fischer (-11 bp). Our overweights in dormakaba (-19 bp) and Daetwyler (-18 bp) had a negative influence. In the run-up to the US election, in October, we expect a volatile market.

### Noticed...

The dependence of the Swiss stock market on the local economy is neglectable since most quoted companies generate their turnover and profits abroad. More important for the valuation of the Swiss market is the level of interest rates. The Swiss equity market will rise further, should the actual interest rate level persist for longer, given the risk premia (inverse of P/E – 10 year gov. bond yield) still being at an unsustainable high level of almost 7.5%.

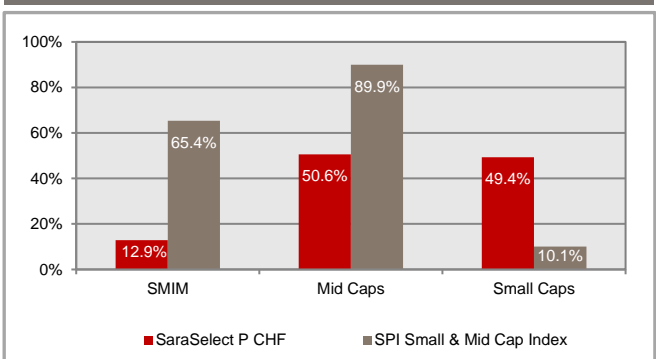
Bigger hikes of interest rates would have a logical negative impact on many asset classes, the impact (relative protection) would be highest on real assets (stocks and real estate) compared to nominal values.

Actual equity valuation multiples are still far too low compared with persisting interest rate levels. Further profit growth due to structural drivers coupled with increasing M&A activity will lead to the expected multiple expansion, driving up equity prices even further.

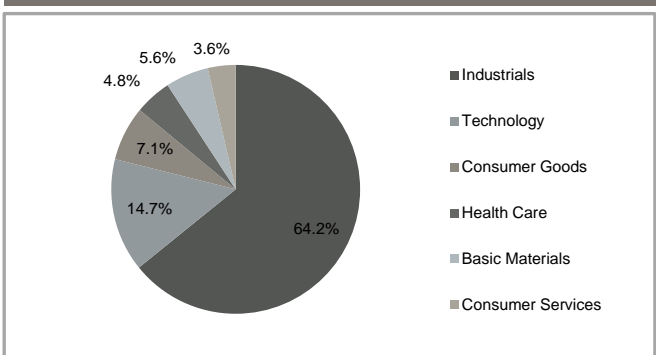


Making decisions about money, by reading the newspapers between the lines.  
*André Kostolany*

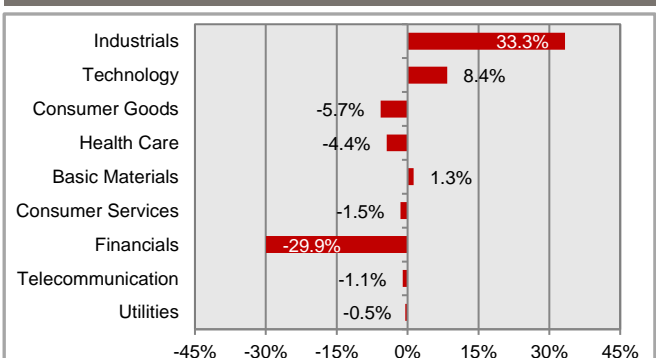
### Segment Allocation



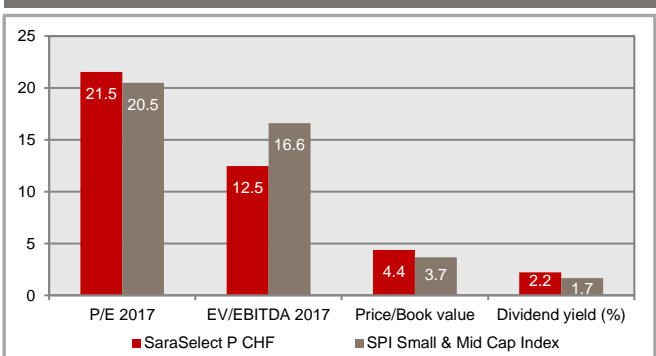
### Industry Allocation



### Industries relative to Benchmark



### Valuation



### Largest Positions

|                       | Fund          | Index         |
|-----------------------|---------------|---------------|
| LEM Holding SA        | 8.04%         | 0.33%         |
| Bossard Holding AG    | 7.28%         | 0.32%         |
| ALSO Holding AG       | 6.69%         | 0.18%         |
| Bell AG               | 6.65%         | 0.26%         |
| Daetwyler Holding AG  | 5.69%         | 0.50%         |
| Bobst Group SA        | 5.04%         | 0.19%         |
| Belimo Holding AG     | 5.00%         | 0.68%         |
| Bachem Holding AG     | 4.83%         | 0.26%         |
| Sika AG               | 4.80%         | 4.69%         |
| Phoenix Mecano AG     | 4.59%         | 4.59%         |
| Bucher Industries AG  | 4.30%         | 0.74%         |
| Huber + Suhner AG     | 4.02%         | 0.44%         |
| Interroll Holding AG  | 3.69%         | 0.33%         |
| dorma+kaba Holding AG | 3.65%         | 1.14%         |
| Gurit Holding AG      | 3.07%         | 0.16%         |
| <b>Total Top 15</b>   | <b>77.32%</b> | <b>10.32%</b> |

### Fund Profile & Key Figures

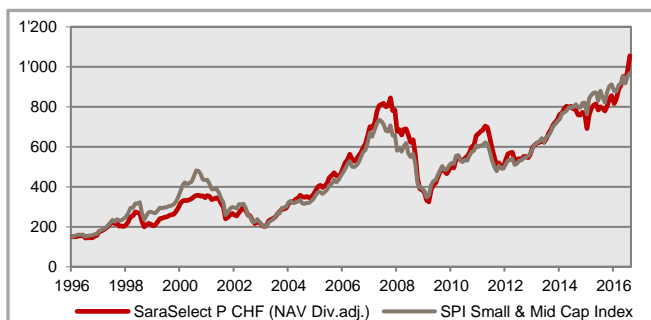
|                          |   |
|--------------------------|---|
| Asset Manager            | VV Vermögensverwaltung AG   |
| Fund Mgmt Company        | Marc Possa (Deputy Thomas Buri)                                     |
| Custodian Bank           | J. Safra Sarasin Investmentfonds Ltd.<br>Bank J. 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 SiRe                | CHF 490.7mn   |
| Net Asset Value per Unit | CHF 1070.46   |
| Hist. Volatility*        | 12.61% p.a.   |
| Tracking Error*          | 7.22% p.a.  |

\*Time period 3 years, monthly observation

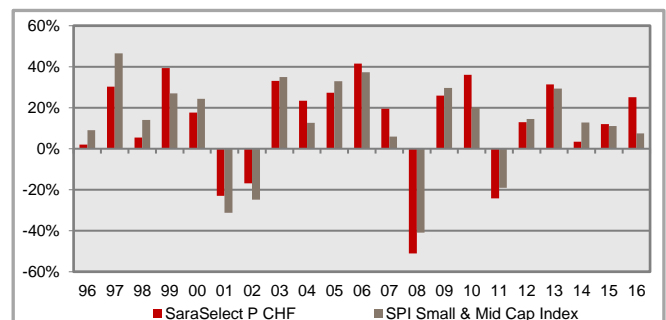
### Performance Overview

|       | YTD    | 1 Month | 1 Year | 3 Years     | 5 Years     | 10 Years   | since Launch |
|-------|--------|---------|--------|-------------|-------------|------------|--------------|
| Fund  | 25.17% | 1.47%   | 37.38% | 16.00% p.a. | 16.14% p.a. | 6.49% p.a. | 9.91% p.a.   |
| Index | 7.51%  | 1.05%   | 19.47% | 13.21% p.a. | 15.44% p.a. | 5.92% p.a. | 9.47% p.a.   |

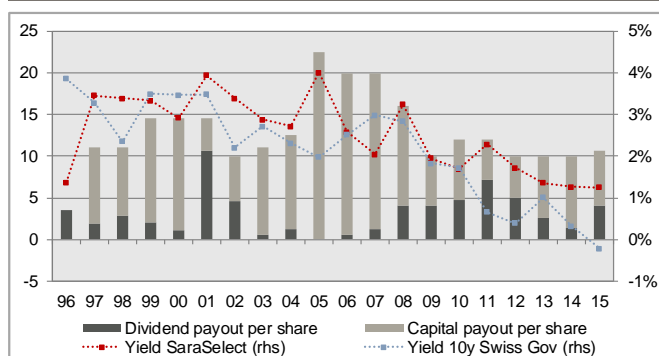
### Cumulative Performance since Inception



### 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% | 2.84%  | 5.78% | 2.20% | 4.94%  | -2.76% | 6.00%  | 7.46%  | 1.47%  |        |        |        | 25.17%  |
|      | Index | -3.63% | -0.08% | 3.56% | 0.75% | 4.00%  | -3.77% | 4.08%  | 1.66%  | 1.05%  |        |        |        | 7.51%   |
| 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% |