

All data as of 30.06.2019

Portfolio & Market Environment

The latest economic data and the intensification of the trade conflict between the US and China will increase the pressure on risk stimulus measures, which led to a good June performance. The overall market (SPI) went up by 3.75% in the reporting period. The small caps gained 0.87% and mid caps by 4.37%. The large caps achieved a performance of 3.69%. The overweight of small caps in the fund meant that it gained 4.94%. It outperformed the benchmark, which advanced by 4.01%.

The monthly performance of the SaraSelect portfolio was significantly influenced by the following holdings. The largest positive contributions were made by Sika (79 bp), Interroll (74 bp), Belimo (67 bp), Bobst (56 bp) and Also (52 bp). Performance was negatively impacted by Bell (-43 bp) and not being invested in Swiss Life (-36 bp), Adecco (-30 bp) and Kühne + Nagel (-25 bp). Both the FED and the ECB have signalled that they will lower their key interest rates if necessary in order to counteract economic uncertainty. This continues to argue in favour of shares.

Noticed... Underestimated Daetwyler

Beside Bossard, Daetwyler belongs very likely and wrongly so to the most underestimated stocks of the Swiss industrial sector. This is due to the fact that the division Technical Components (TeCo), which contribute about 1/3 of the total group revenues of CHF 1.5bn but only 12% of the total EBIT is perceived as non-core by many investors, wishing to see a fast disposal almost at any price. After the failed attempt to take over the British Premier Farnell in 2016 and reach the needed economies of scale, management focus clearly returned to profitability increases from low 2% levels in order to trim the division for a potential future sale.

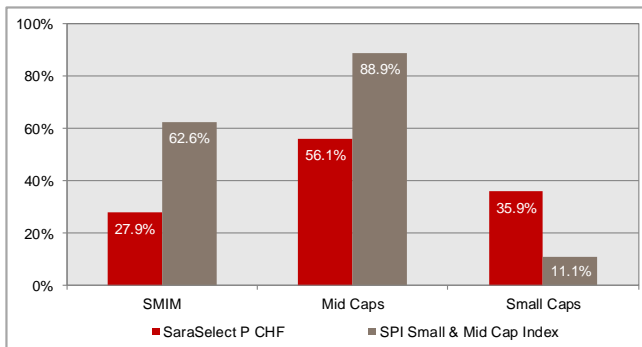
The other division Sealing Solutions (SeSo), that had grown over 8% annually (organic and by acquisitions and FX impact) for over 15 years and has an EBIT margin of 18% impressively demonstrates its value.

With an EBITDA 2019 of over CHF 200mn and an sector specific multiple of 15x, an EV for SeSo of CHF 2.8bn would result, nicely above the actual CHF 2.65bn including the TeCo division. With a TeCo sale, the ever so important ROCE would face a boost, driving the share price higher. Due to the independence of the PEMA foundation, the management is given the needed time to improve TeCo's profitability from a meager 2% level (2016) in order to maximize its future sale value. Here, another advantage of long-term oriented activism become nicely visible. Thanks to patience and foresight, substantial value added is created for all stakeholders.

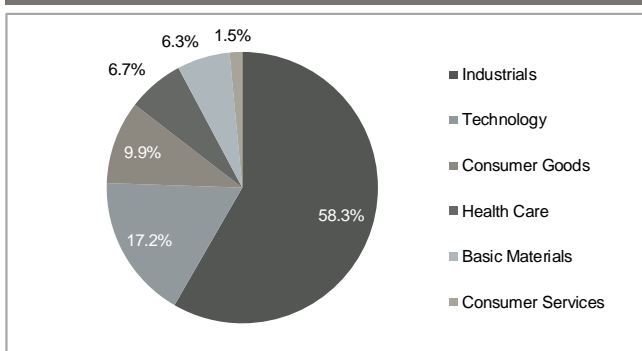
Wanting to win too much you run the risk of losing.

La Fontaine

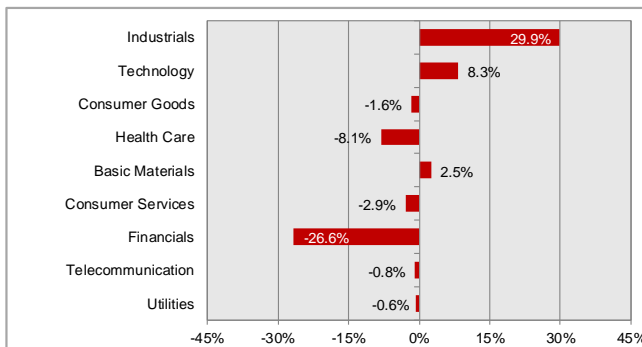
Segment Allocation



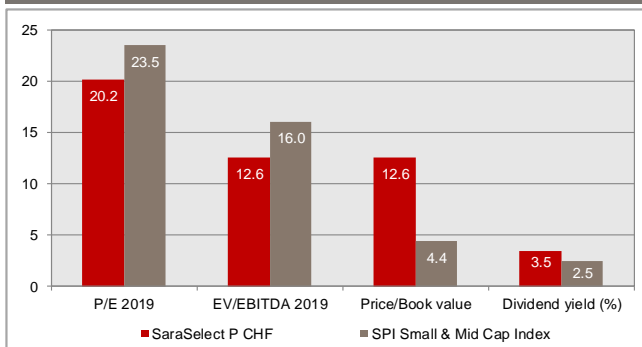
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
ALSO Holding AG	7.44%	0.14%
Sika AG	6.91%	1.86%
LEM Holding SA	6.83%	0.29%
Belimo Holding AG	6.05%	0.96%
Interroll Holding AG	5.68%	0.53%
Bachem Holding AG	4.81%	0.06%
Bossard Holding AG	4.72%	0.33%
Bell Food Group AG	4.65%	0.05%
Bobst Group SA	4.29%	0.20%
Daetwyler Holding AG	3.90%	0.45%
Huber + Suhner AG	3.75%	0.41%
Logitech International SA	3.56%	2.51%
CPH Chemie & Papier Holding AG	3.46%	0.23%
Bucher Industries AG	3.25%	0.84%
Chocoladefabriken Lindt & Spru	3.19%	2.65%
Total Top 15	72.49%	11.51%

Fund Profile & Key Figures

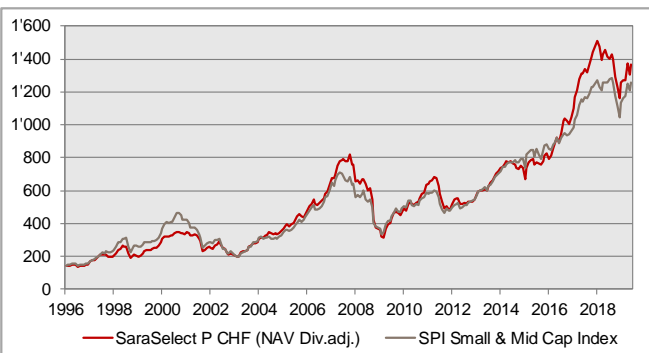
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 723.5 mn
Net Asset Value per Unit	CHF 1'368.43
Hist. Volatility*	13.97% p.a.
Tracking Error*	6.23% p.a.

*Time period 3 years, monthly observations

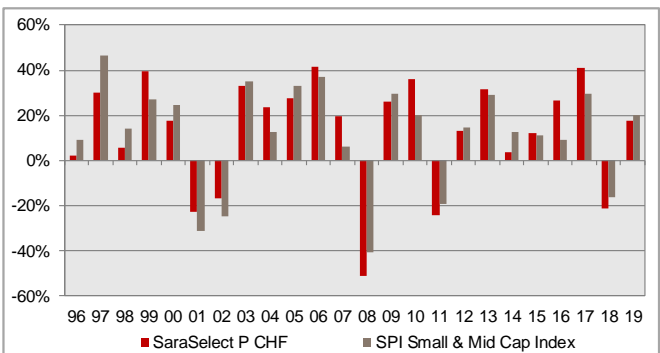
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	17.70%	4.94%	-3.49%	15.07% p.a.	11.94% p.a.	12.94% p.a.	9.84% p.a.
Index	20.35%	4.01%	-0.09%	12.26% p.a.	10.14% p.a.	11.58% p.a.	9.47% p.a.

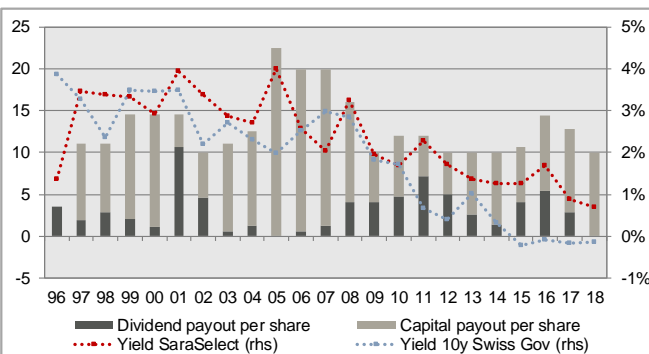
Cumulative Performance since Inception



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%							17.70%
	Index	8.77%	2.46%	1.01%	6.20%	-3.22%	4.01%							20.35%
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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