

All data as of 31.03.2019

Portfolio & Market Environment

Leading indicators worldwide are on the retreat, indicating a slowdown in the economy. There are increasing voices that the USA and China will present a solution in the trade dispute. The overall market (SPI) advanced 2.52% in the reporting period. The small caps lost 1.04% and mid caps advanced 1.25%. The large caps were up by 2.87%. The overweighting of small caps in the fund meant that it returned only 0.21%. It performed worse than the benchmark, which advanced by 1.01%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from Interroll (55 bp), Lem (48 bp), Bachem (35 bp), Belimo (24 bp) and Schindler (22 bp). The performance was negatively influenced by Bobst (-110 bp), Bossard (-25 bp), Schaffner (-23 bp) and not being invested in Sonova (-23 bp) and Huber + Suhner (-21bp). Due to the slowdown in the global economy, the central banks will not tighten monetary policy. We expect the economy to bottom out in the first quarter of 2019.

Noticed... Inverted US yield curve

On rare occasions, the yield curve ceases to be upward sloping, which would be normal, since longer rates have to be higher than shorter ones in order to compensate for future potential inflation and economic uncertainty. The “paradox” occurs when shorter-dated yields are higher than longer-dated ones and is then called an “inversion.”

This week, the yield curve showed evidence of inverting for the first time in more than a decade when the yield on 5-year notes dropped below those for 2-year securities.

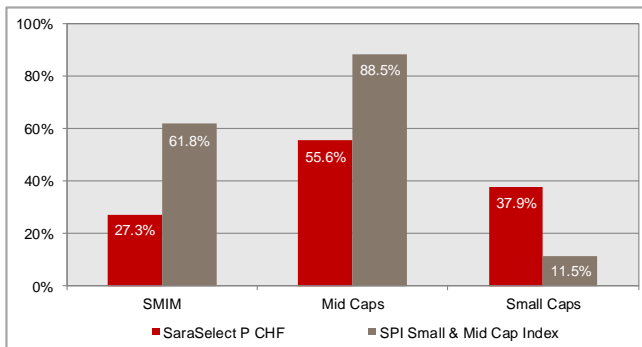
Rates at the short end demonstrate the stance of the monetary policy, were as longer rates do indicate the degree of real economic uncertainty or the environment of a persisting liquidity driven crisis.

Inverted yield curves do not last long and have normally a predictive power for up-coming recessions. The speed of the latest setback of almost 100bp of longer rates leads to the conclusion, that it is more of a short-term, liquidity-driven overshooting than the prediction of a recession, as occurred in the past.

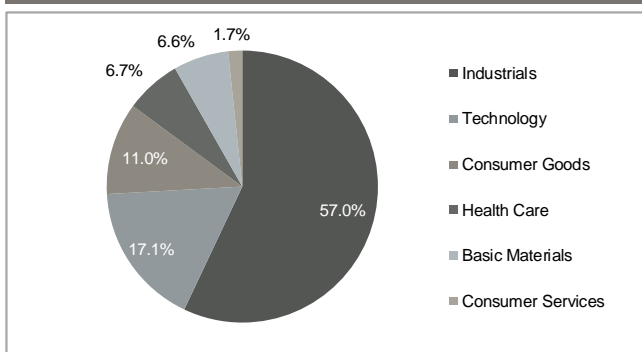
Looking at charts is a science that seeks in vain what knowledge creates.

André Kostolany

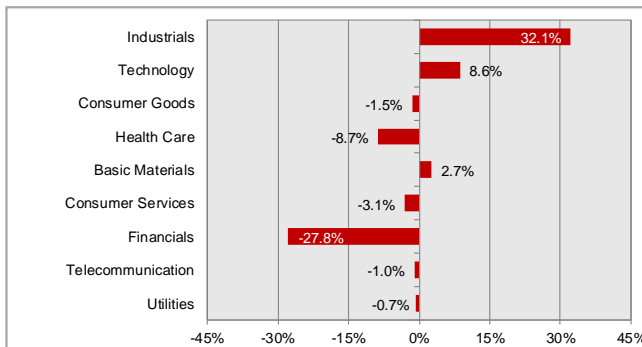
Segment Allocation



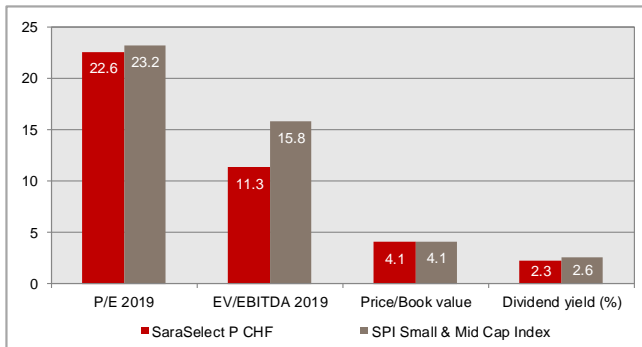
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
ALSO Holding AG	7.49%	0.32%
LEM Holding SA	6.95%	0.29%
Sika AG	6.29%	0.00%
Belimo Holding AG	5.48%	0.98%
Bell Food Group AG	5.39%	0.24%
Bossard Holding AG	5.19%	0.33%
Interroll Holding AG	5.10%	0.53%
Bachem Holding AG	4.77%	0.23%
Daetwyler Holding AG	4.22%	0.45%
Bobst Group SA	3.91%	0.18%
Logitech International SA	3.88%	2.68%
CPH Chemie & Papier Holding AG	3.85%	0.09%
Huber + Suhner AG	3.58%	0.39%
Bucher Industries AG	3.51%	0.88%
Chocoladefabriken Lindt & Spru	3.32%	2.89%
Total Top 15	72.91%	10.49%

Fund Profile & Key Figures

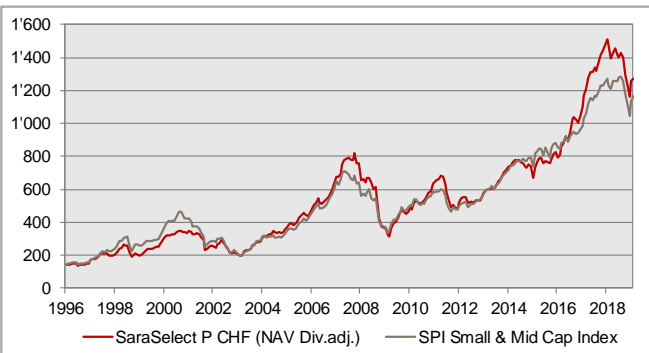
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 662.7 mn
Net Asset Value per Unit	CHF 1'273.54
Hist. Volatility*	13.40% p.a.
Tracking Error*	6.10% p.a.

*Time period 3 years, monthly observations

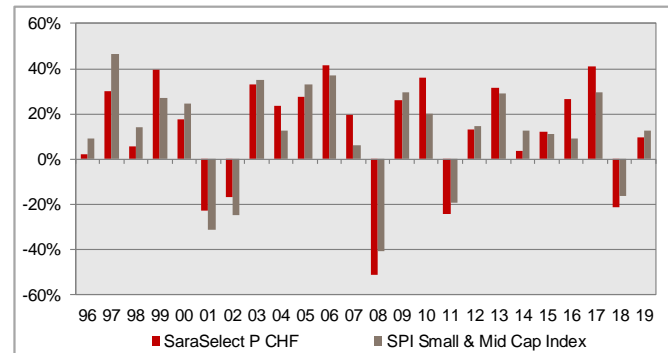
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	9.54%	0.21%	-8.83%	13.93% p.a.	10.66% p.a.	15.01% p.a.	9.78% p.a.
Index	12.57%	1.01%	-2.70%	10.10% p.a.	9.46% p.a.	13.01% p.a.	9.42% p.a.

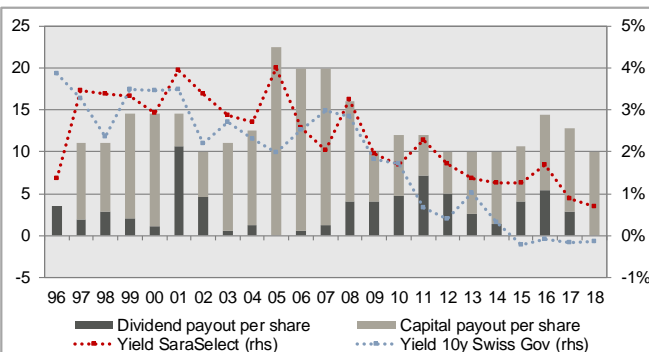
Cumulative Performance since Inception



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%										9.54%
	Index	8.77%	2.46%	1.01%										12.57%
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%

Disclaimer: While VV Vermögensverwaltung AG has made every effort to ensure that the information on this document is correct at the time of publication, VV Vermögensverwaltung AG can make no representation or warranty (including liability to third parties) either expressly or by implication as to the accuracy, reliability or completeness of the said information. Past performance does not guarantee future returns. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units. The prospectus including management regulations of the Fund, the simplified prospectuses as well as the annual and semi-annual reports are available free of charge from the custodian bank (Bank J. Safra Sarasin Ltd., Elisabethenstrasse 62, P.O. Box, CH-4002 Basel, Switzerland) or the fund manager (J. Safra Sarasin Investmentfonds Ltd., Wallstrasse 9, CH-4002 Basel, Switzerland).