

all data as of 28.02.2018

### Portfolio & Market Environment

Growing fears of rising inflation in the US led to a sharp rise in yields of 10-year US treasury bonds. This was not appreciated by stock markets globally. In some cases share prices were massively hammered down. In this environment, small caps lost 3.10% and mid caps even lost 4.77%. The performance of the large caps was even worse at -4.81%. Thanks to the fund's good equity selection, the benchmark, which lost -3.03%, was beaten with a monthly performance of -2.32%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions came from not being invested in Temenos (42 bp), Kühne + Nagel (35 bp), Straumann (30 bp), Clariant (25 bp) and the underweight in EMS (20 bp). The performance was negatively influenced by Bell (-45 bp), Bachem (-34 bp), Lem (-32 bp), Bossard (-29 bp) and Bobst (-13 bp). The environment continues to favour equities. However, volatility is likely to remain high for some time before the upward trend in the markets continues.

### Noticed... Innovation leader Georg Fischer

The many years ago formulated strategy of market leadership in the 3 divisions of Georg Fischer is proven correct with an impressive 2017 revenue growth of 11%. The mega trends of mobility and communication have helped realizing this growth. The construction of 34 semiconductor fabs in Asia is contributing to the growth of the division Piping and Machining solutions, the trend to "green cars" helps the division Automotive with its "lightweight casting solutions" made out of aluminum, magnesium, and steel.

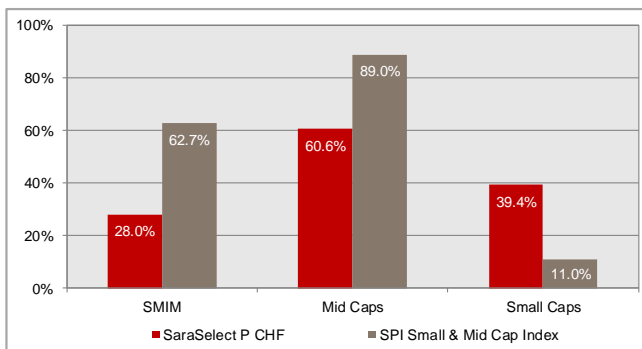
Georg Fischer impressively demonstrates the importance of market leadership combined with a focused and global setup in different industries that are positively influenced by prevailing megatrends. The reached profitability expressed by the return on invested capital (ROIC) is in all 3 divisions above the cost of capital (WACC) and within or above the strategic range and therefore highly value creative.

With a 10x EV/EBITDA 2019 the stock does not seem expensive, especially on relative terms. This should be a good base for further advances.

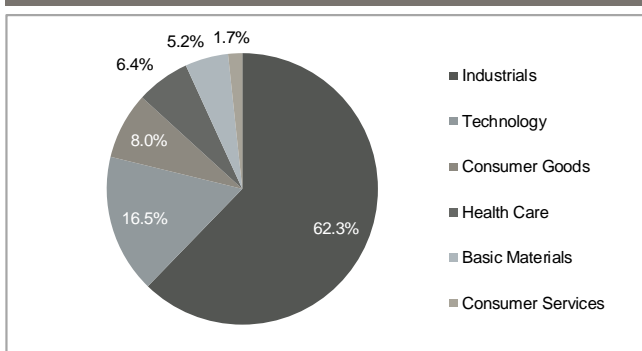
Stock market gains are compensation for pain and suffering. The pain comes first, then the money.

*André Kostolany*

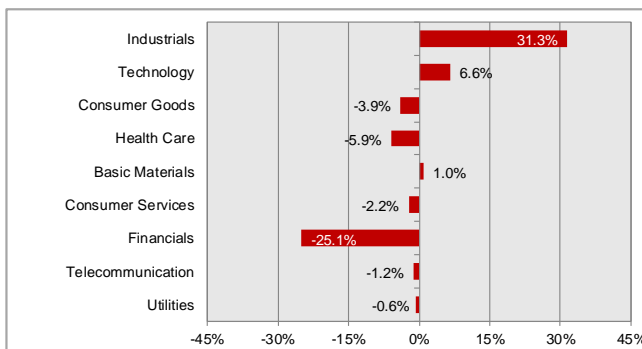
### Segment Allocation



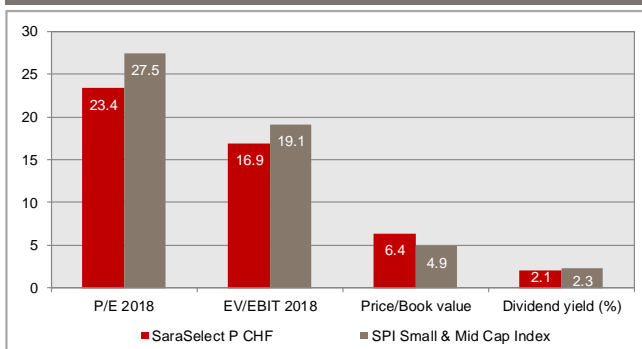
### Industry Allocation



### Industries relative to Benchmark




### Valuations



### Largest Positions

	Fund	Index
LEM Holding SA	7.71%	0.42%
Bossard Holding AG	7.10%	0.50%
ALSO Holding AG	6.91%	0.33%
Bobst Group SA	6.80%	0.36%
Daetwyler Holding AG	5.38%	0.62%
Sika AG	5.21%	0.00%
Bachem Holding AG	4.56%	0.25%
Belimo Holding AG	4.12%	0.76%
Phoenix Mecano AG	4.02%	0.17%
Bucher Industries AG	3.85%	1.05%
Interroll Holding AG	3.67%	0.43%
Bell Food Group AG	3.64%	0.21%
Logitech International SA	3.30%	2.43%
CPH Chemie & Papier Holding AG	2.77%	0.07%
Chocoladefabriken Lindt & Spru	2.46%	2.35%

### Fund Profile & Key Figures

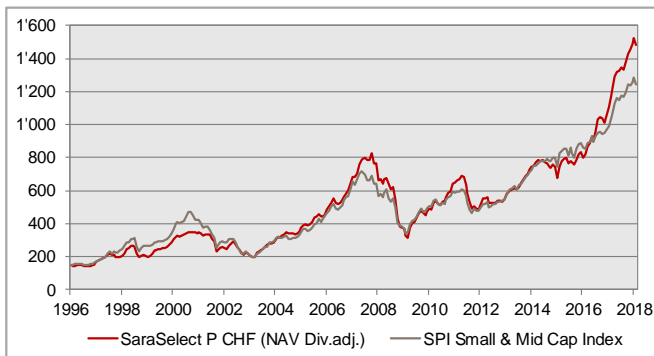
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Stv. Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 736.1 mn
Net Asset Value per Unit	CHF 1'486.37
Hist. Volatility*	12.93% p.a.
Tracking Error*	6.18% p.a.

\*Time period 3 years, monthly observations

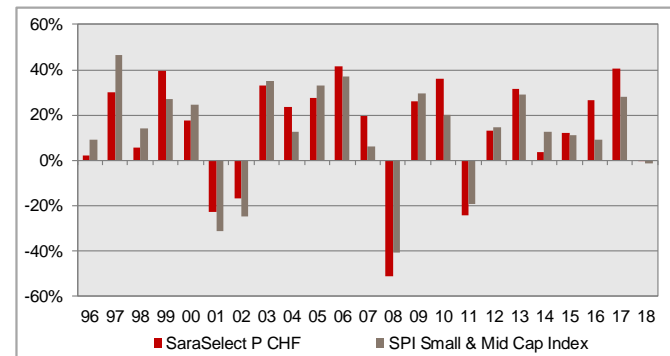
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-0.33%	-2.32%	26.13%	26.01% p.a.	19.96% p.a.	8.19% p.a.	11.00% p.a.
Index	-1.27%	-3.03%	19.69%	14.68% p.a.	15.65% p.a.	7.75% p.a.	10.14% p.a.

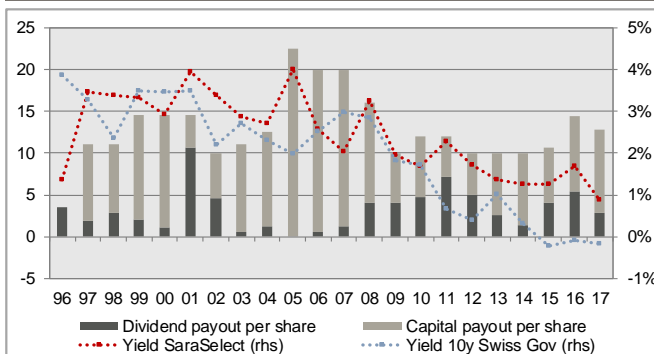
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distribution per Share



Year	Dividend	Capital Gain*	Total
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
2007	1.20	18.80	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
2018	Fund	2.04%	-2.32%											-0.33%
	Index	1.81%	-3.03%											-1.27%
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%	44.59%
	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%	32.07%
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%
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%

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