

all data as of 31.07.2015

### Portfolio & Market Environment

Although there is no real solution for the Greek debt drama yet, the further postponement of crucial decisions was enough to start a bigger summer rally for equities. The losses from the previous month were compensated quickly and the Small & Mid Cap Index gained more than 7% in July. Small Caps (+0.78%) could not keep that pace and were clearly lagging. With a performance of about 2% SaraSelect showed a positive development, but was behind the benchmark as well. YTD, the fund is now 2.5% behind the index.

The biggest positive performance contributions in July came from Kaba (+11.05%), Daetwyler (+7.65%) and Sika (+6.22%). A very strong performance again also had Galenica (+12.87%), where investors are positioning themselves for the upcoming split of the group. Though, the first highlight during the half-year reporting season was EMS-Chemie (+19.37%). The already richly valued stock once again confirmed its reputation as a high quality investment and published a further improved result despite strong currency headwinds (over 50% of costs in Switzerland and only few sales in CHF). The impressive margin resilience demonstrates the excellent market position and the ability to price-in innovation. CPH Chemie & Papier (-7.69%), which had to report a loss for the first semester after the CHF appreciation and increased pressure on their paper business, was trading lower. As the more difficult market situation will accelerate the consolidation within this sector, CPH as the clear cost leader should benefit over the mid-term.

Overall, the recently published first semester results came in slightly above market expectations. A well-known negative example on the other hand was AMS, which reported another record quarter, but had to revise their short-term outlook slightly downwards. Due to positive mid-term assessments they officially communicated their intentions to double production capacity. The market participant's inability to assess a temporary growth slow-down and additional costs lead to a sharp price decline, a pattern experienced by other growth stocks as well.

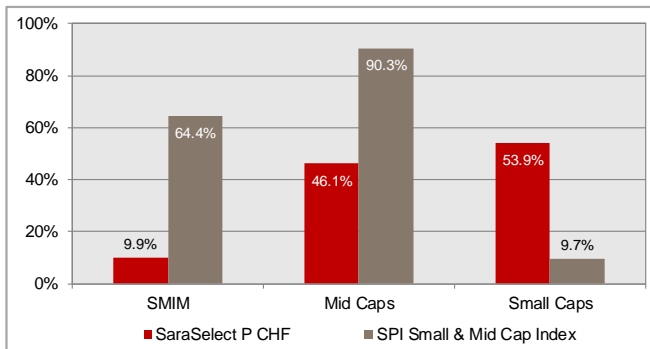
### Noticed...

Big investors around Vekselberg profited from the share price weakness and increased their stake in Sulzer above the threshold level of 33 1/3%, triggering a mandatory public offering at the 60 days average share price of CHF 99.20 and lasting until mid-September 2015. Thereafter, Vekselberg will enjoy a maximum flexibility and will be able to gradually alter his Sulzer stake without having to make a public offer at unfavorable levels. The mid-term (from 2018 onwards) company targets of an EBIT-margin increase of 4-6% are not yet priced in by market participants. The focus is purely on the geo-politically driven weak oil price, which is affecting the earnings expectations short-term and therefore hampering a positive share price development. The Sulzer share has a substantial upside potential should these margin improvements partially materialize.

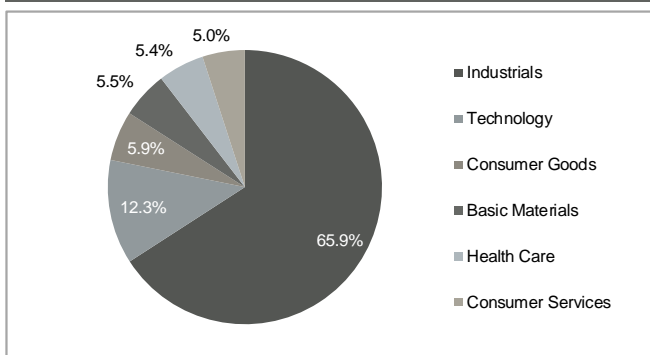
Promises make debt, and debt makes promises.

Dutch proverb

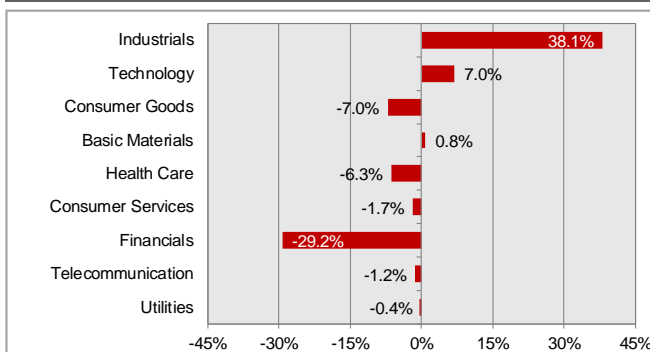
### Segment Allocation



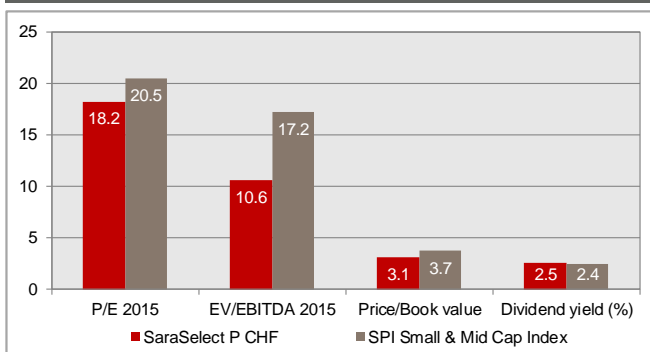
### Industry Allocation



### Industries relative to Benchmark



### Valuation



### Largest Positions

	Fund	Index
LEM Holding SA	8.13%	0.23%
Bossard Holding AG	6.94%	0.28%
Daetwyler Holding AG	6.65%	0.40%
Bell AG	5.39%	0.16%
Bachem Holding AG	5.15%	0.10%
Bobst Group AG	4.89%	0.16%
Bucher Industries AG	4.87%	0.75%
Phoenix Mecano AG	4.81%	0.16%
ALSO Holding AG	4.54%	0.07%
Interroll Holding AG	4.53%	0.20%
Belimo Holding AG	4.25%	0.49%
Sika AG	4.11%	3.64%
Huber & Suhner AG	3.85%	0.29%
Kaba Holding AG	3.57%	0.80%
Schaffner Holding AG	2.94%	0.06%
<b>Total Top 15</b>	<b>74.63%</b>	<b>7.78%</b>

### Fund Profile & Key Figures

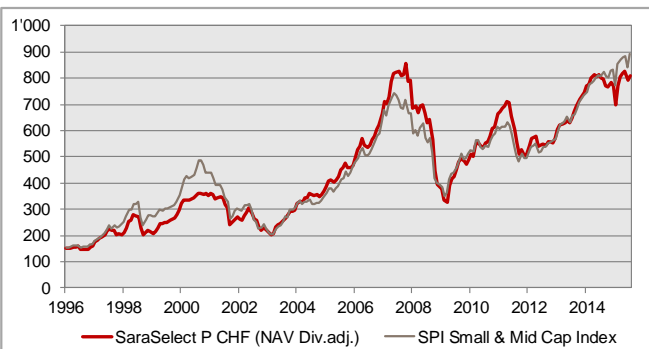
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 485.4mn
Net Asset Value per Unit	CHF 809.99
Hist. Volatility*	10.95% p.a.
Tracking Error*	6.07% p.a.

\*Time period 3 years, monthly observation

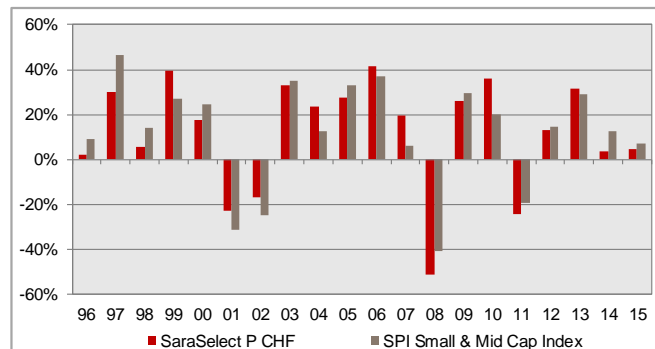
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	4.76%	1.93%	1.09%	13.91% p.a.	8.00% p.a.	6.03% p.a.	8.96% p.a.
Index	7.22%	5.96%	10.52%	18.32% p.a.	10.40% p.a.	7.98% p.a.	9.47% p.a.

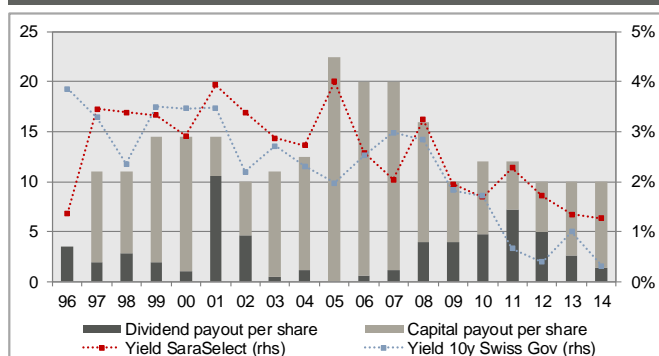
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distributions per share



Year	Dividend	Capital Gain*	Total
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
2005	0.00	22.50	22.50

\*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
2015	Fund	-9.53%	9.96%	4.55%	1.78%	0.80%	-3.68%	1.93%						4.76%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%	-4.72%	5.96%						7.22%
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%	35.45%
	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%	31.13%
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%	-0.86%	-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%
2010	Fund	4.61%	-1.94%	8.48%	2.83%	-3.34%	-1.12%	3.16%	1.29%	3.59%	5.02%	1.26%	8.02%	35.99%
	Index	2.57%	-0.63%	7.71%	0.50%	-4.95%	-1.19%	2.40%	-1.10%	4.81%	3.19%	1.27%	4.45%	20.06%

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