

all data as of 31.01.2015

Portfolio & Market Environment

What a start into the new investment year! By mid-January, the SNB announced that it would abandon its currency peg to the euro. The Swiss stock market erased the nice start into the year immediately and collapsed within hours. Mainly foreign investors did not hesitate and logged in vast currency gains by selling Swiss equities. After a temporary out-performance, the sell-off hit the SaraSelect portfolio with some delay and led to a negative first month with a performance of -9.53%. The benchmark ended up with a loss of -7.00%.

Clearly positive performance contributions in January came only from Sika (+7.4%), where the management was able to build up some meaningful defense strategies against the new majority shareholder St. Gobain by taking the case to the court level, and from the thinly traded Adval Tech (+4%). Our largest position LEM (-4.2%), which is profiting like many other companies from the already transferred production out of Switzerland, was very resistant as well. Very negative on the other side was the development of Bobst (-27.2%), that has been suffering with low volumes after an earnings revision. In our view this setback is exaggerated, because nowadays the company's production in Switzerland focusses only on high-quality products, which should face less price pressure. Furthermore, large negative contributions came from the heavy-weights Daetwyler (-14.1%) and Bossard (-12.9%).

Generally, we assume that the market reaction as well as the current sentiment of the FX impact is too negative (see also below). Therefore, many of the experienced setbacks of Swiss companies over the course of the last two weeks should be considered as interesting buying opportunities, especially in the context of further massive global reflation efforts, which are expected to lead to nominal growth accompanied by inflation sooner or later.

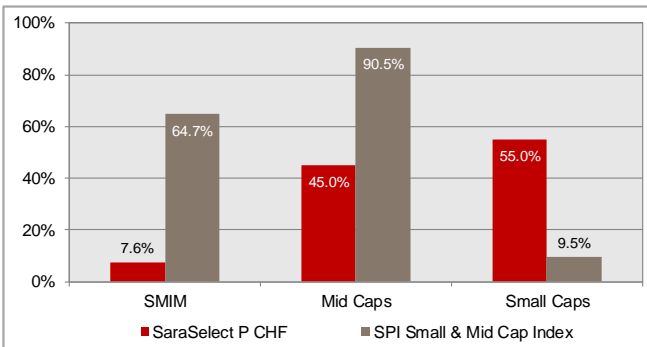
Noticed...

How big will the currency impact really be, after the Swiss National Bank gave up the euro minimum rate? This question has been predominant over the last two weeks and of course, we do not know the average or the year end currency exchange levels neither. But one fact is for sure, that on current levels, the USD is contributing positively to the companies' income statements, especially for the first half of 2015. A further fact is that many listed companies enjoy a natural hedge giving them protection from currency distortions and not exposing them to transaction effects. Also, many source in USD and especially in EUR, leading to some gross margin relief and compensating partially the negative translation effects. The media's and analysts' general assumption of a negative 20% impact is therefore totally overstated. On current levels and with a business sales mix assumption of 50:50 (USD:EUR), one can easily come to the conclusion of a 5% negative currency impact only.

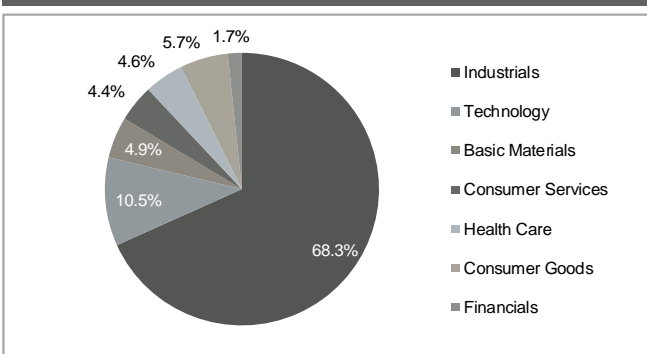
When buying shares, ask yourself, would you buy the whole company?

Rene Rivkin, Australian entrepreneur & investor

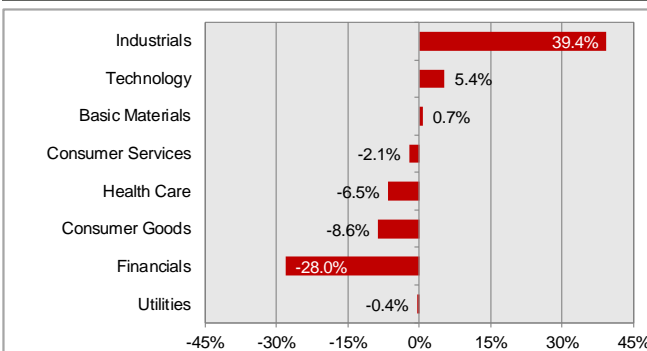
Segment Allocation



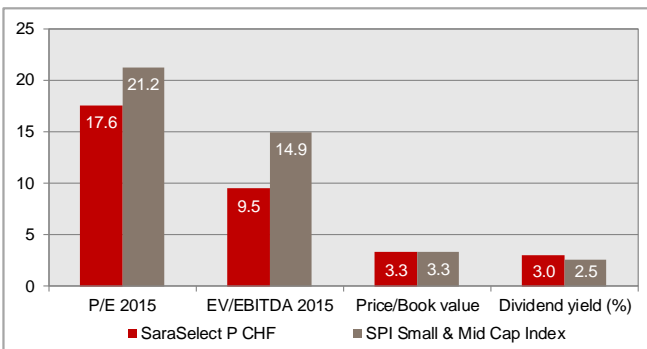
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	9.70%	0.25%
Bossard Holding AG	8.72%	0.29%
Daetwyler Holding AG	8.42%	0.43%
Interroll Holding AG	6.22%	0.17%
Bell AG	5.70%	0.17%
Bucher Industries AG	5.40%	0.83%
Belimo Holding AG	5.37%	0.54%
Bachem Holding AG	4.91%	0.17%
Phoenix Mecano AG	4.89%	0.14%
Huber & Suhner AG	4.27%	0.33%
Bobst Group AG	4.26%	0.12%
Sika AG	4.12%	3.77%
ALSO Holding AG	4.12%	0.07%
CPH Chemie & Papier Holding AG	3.66%	0.07%
Schaffner Holding AG	3.43%	0.08%
Total Top 15	83.21%	7.37%

Fund Profile & Key Figures

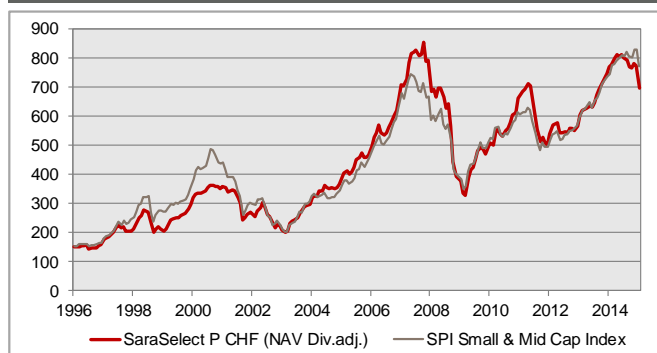
Asset Manager	VV Vermögensverwaltung AG
Fund Mgmt Company	Marc Possa (Deputy Pascal Marti)
Custodian Bank	Sarasin Investmentfonds Ltd
	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 468.4mn
Net Asset Value per Unit	CHF 699.49
Hist. Volatility*	10.31% p.a.
Tracking Error*	5.56% p.a.

*Time period 3 years, monthly observation

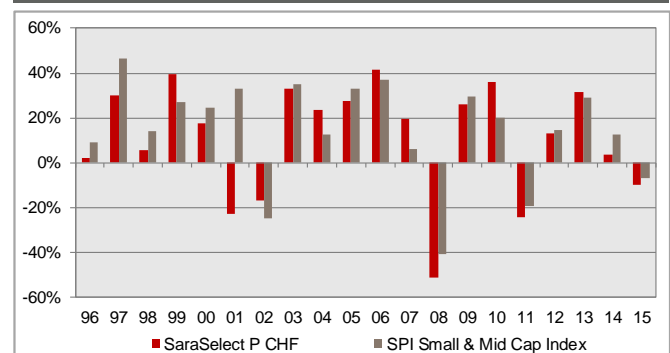
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-9.53%	-9.53%	-9.48%	8.92% p.a.	6.48% p.a.	6.10% p.a.	8.35% p.a.
Index	-7.00%	-7.00%	3.48%	14.26% p.a.	8.04% p.a.	7.83% p.a.	8.91% p.a.

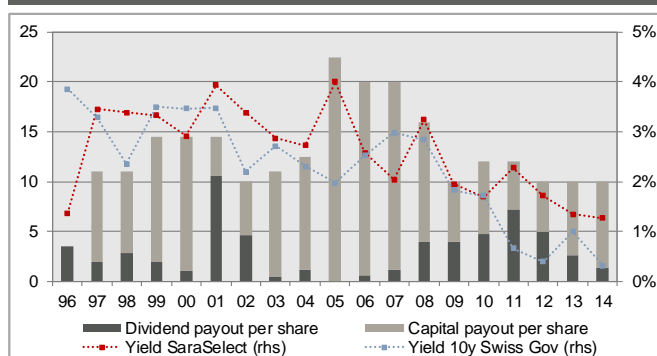
Cumulative Performance since Inception



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%												-9.53%
	Index	-7.00%												-7.00%
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%	-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%
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%	4.45%	20.06%	

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 (Sarasin Investmentfonds Ltd, Wallstrasse 9, CH-4002 Basel, Switzerland).