

all data as of 31.05.2015

Portfolio & Market Environment

During the first May week, the wrongly very liquid perceived bond markets caused concerns globally. This led to an interest rate spike mainly in Europa and Switzerland, bringing the 10Y Swiss government bond back to positive nominal yields. These hefty movements had an impact on equity markets as well and share prices slightly dropped. After these initial losses, the volatility decreased again over the course of the month and the broad Swiss equity market gained a solid +2% in May, while small & mid caps were almost unchanged. SaraSelect (+0.80%) again performed better than the benchmark (+0.08%). After a slow start into the year, the fund has now outperformed in each of the last three months and is YTD ahead of the index.

The biggest positive performance contributions in May came from the portfolio heavy-weights Bucher (+5.22%), Phoenix Mecano (+5.08%) and Bobst (+4.78%). Also the shares of the long-time only thinly traded Orell Füssli (+14.21%) had a continuing impressive development accompanied by increasing volumes. The optimism by the management of the company after three difficult years full of operational troubles seems to be increasingly well received in the market again. Another positive news came from Galenica (+9.20%), which announced an exclusive license agreement with Roche in the pharma segment for the commercialization of a medicine for kidney patients. With this partnership, the autonomy of the pharma division continues to improve. On the other hand, in Tamedia (-6.99%) and Kaba (-4.14%) some profit taking took place after strong prior months.

In the most liquid mid cap segment (SMIM) the in SaraSelect not represented highly priced shares of Lindt&Sprüngli, Straumann or Barry Callebaut as well as the real estate companies SPS und PSP did suffer, showing an early impact of the recent interest rate turbulences.

Noticed...

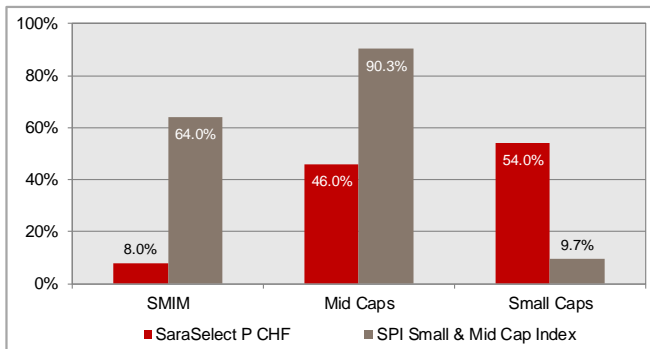
After the Bobst share price had imploded from CHF 44 to CHF 26 within 2 months only (Dec 14 – end Jan 15) and this with only 5% of the outstanding shares traded, an impressive catch-up rally started, bringing the stock back to the former level at CHF 44. The major reason for the jump is the announcement that the Model Group will be the first Bobst customer introducing the company's new digital technology offering co-developed with Kodak.

Because of the conviction of CEO Jean-Pascal Bobst, the almost debt-free company has invested with an enormous focus into the digital technology over the last couple of years, making them the clear first-mover in this new field. In an environment where internet shopping becomes very popular and the potential and therefore the requirements for customization and personification are permanently rising, digital printing will revolutionize the whole packaging supply chain with its flexible offering.

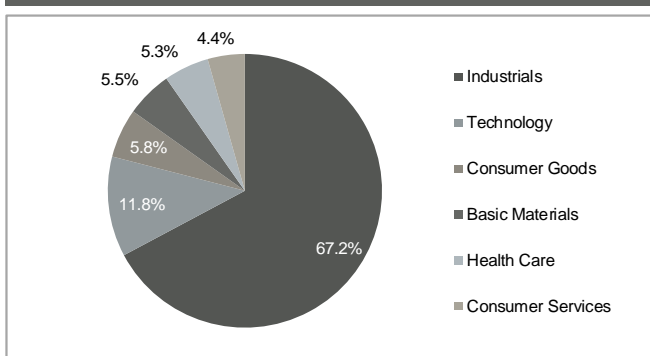
Analysts have predicted 9 out of the last 5 recessions correctly.

Anonymous

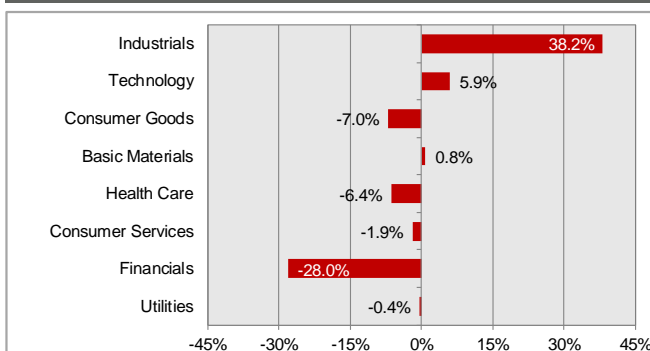
Segment Allocation



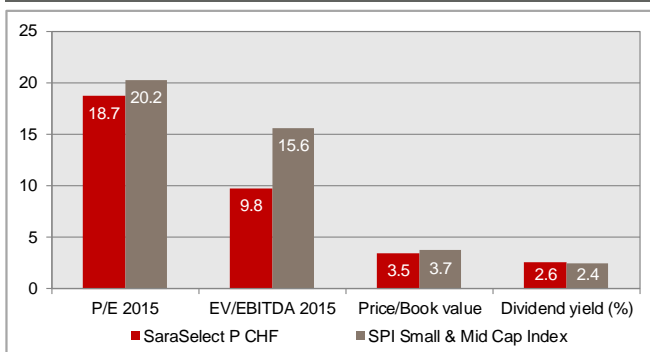
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	9.31%	0.26%
Bossard Holding AG	7.95%	0.30%
Daetwyler Holding AG	7.17%	0.45%
Bell AG	5.39%	0.16%
Bucher Industries AG	5.19%	0.80%
Bachem Holding AG	5.08%	0.11%
Bobst Group AG	4.91%	0.16%
Interroll Holding AG	4.66%	0.16%
ALSO Holding AG	4.50%	0.08%
Belimo Holding AG	4.44%	0.52%
Phoenix Mecano AG	4.43%	0.14%
Huber & Suhner AG	3.87%	0.30%
Sika AG	3.70%	3.39%
Kaba Holding AG	3.41%	1.10%
CPH Chemie & Papier Holding AG	3.33%	0.06%
Total Top 15	74.02%	7.97%

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 502.3mn
Net Asset Value per Unit	CHF 825.02
Hist. Volatility*	10.58% p.a.
Tracking Error*	5.72% p.a.

*Time period 3 years, monthly observation

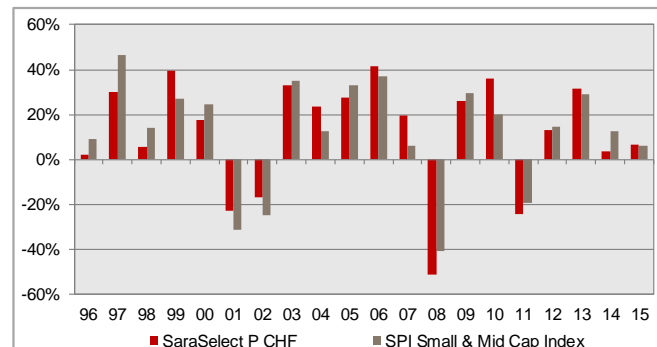
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	6.70%	0.80%	2.16%	15.02% p.a.	8.83% p.a.	7.25% p.a.	9.14% p.a.
Index	6.20%	0.08%	9.71%	19.51% p.a.	10.45% p.a.	8.84% p.a.	9.50% p.a.

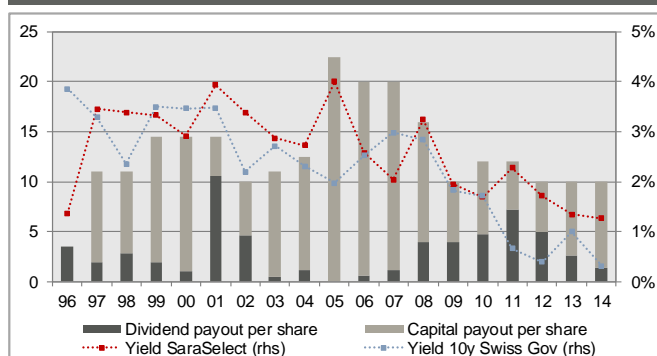
Cumulative Performance since Inception



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%								6.70%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%								6.20%
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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