

all data as of 28.02.2015

## Portfolio & Market Environment

Global equity markets seem to be unstoppable and are rising to new highs. Neither the political unrest in Eastern Europe nor the ongoing discussions about the Greek debt situation could harm further gains. The introduced negative interest rates, which have now been passed-on to investors, cause additional inflows into equities and other real assets and therefore are pushing prices and valuations. As expected, the panic after the Swiss Franc shock in mid-January has quickly calmed down. Listed companies in Switzerland are used to an appreciating home currency for years now and have learned to deal with a strong Swiss Franc. Accordingly, the catch-up potential for Swiss equities after the setback was immense, driving the monthly performance of SaraSelect to +9.96%. The benchmark recovered even more with a plus of +10.46%.

The biggest performance contributions in February came from our top 3 holdings Bossard (+20.69%), Daetwyler (+13.95%) and LEM (+9.27%). Especially the first two profited from a slightly better economic sentiment in Europe and from a very cheap valuation after the losses in January. Also a strong development showed Gurit (+29.70%) and Swatch (+24.55%), which bounced back from their very low levels. The only negative performance was recorded by Adval Tech (-3.59%), although with very low trading volumes.

The inflows from foreign investors back into the Swiss market again went mainly into liquid stocks. The SMIM therefore had the strongest performance with a gain of +11%, blue chips and small caps lagged slightly with a plus of 7%. The published full year results so far came in mostly in-line with expectations. With the current demanding currency situation, investors pay an increased attention to the outlooks. Worth mentioning and well received were the announced cost cuts (Straumann, EMS-Chemie), which once again show the high flexibility of the Swiss workplace.

## Noticed...

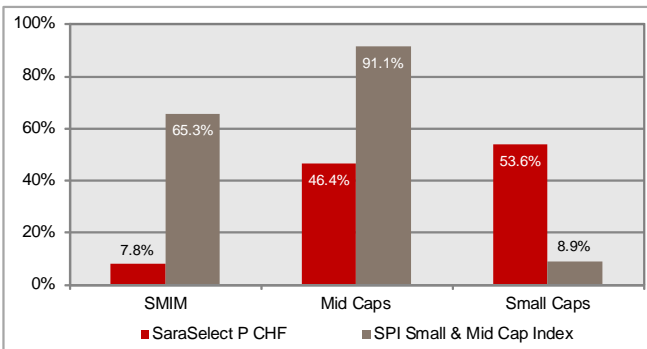
How should companies handle the negative Swiss Franc interest rates? They have basically three options: 1. They acquire new business. 2. They buy back their own shares. 3. They increase the pay-out ratios due to their in a historic context very solid capitalizations and distribute special dividends, which lead to very attractive yields of almost 3% (SPI).

In our view, there are no other reasonable ways to avoid the prevailing negative interest rates. Since banks are only starting to pass them on to their clients, we expect dividend proposal to go up substantially for the upcoming general assemblies. Since the broad equity market valuation (SPI) has barely reached a P/E of 19x, many investors will find their way into well positioned companies with attractive dividend yields.

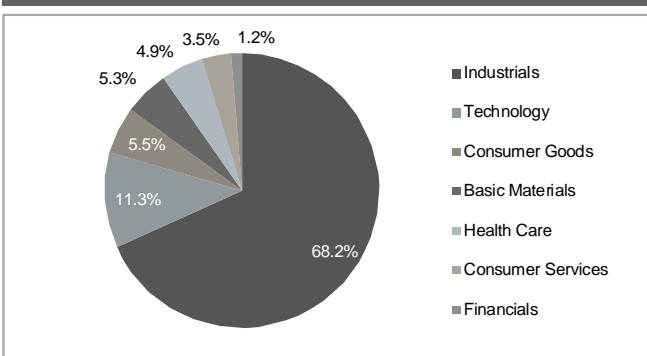
In the short term the market is a popularity contest, in the long term it is a weighing machine.

Warren Buffet, US investor

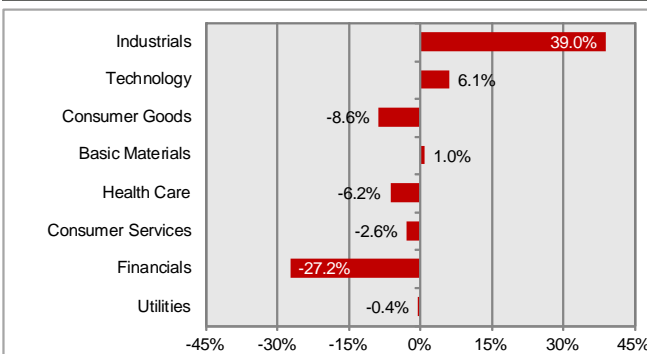
## Segment Allocation



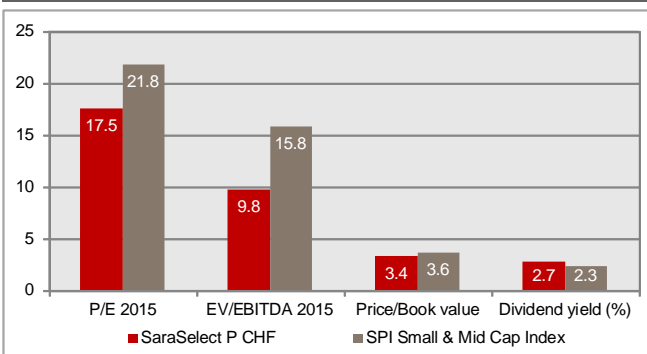
## Industry Allocation



## Industries relative to Benchmark



## Valuation



### Largest Positions

	Fund	Index
LEM Holding SA	9.28%	0.25%
Bossard Holding AG	9.10%	0.31%
Daetwyler Holding AG	8.00%	0.44%
Interroll Holding AG	5.84%	0.16%
Bucher Industries AG	5.36%	0.83%
Bell AG	5.32%	0.16%
Bachem Holding AG	4.87%	0.10%
Phoenix Mecano AG	4.60%	0.16%
Belimo Holding AG	4.43%	0.52%
ALSO Holding AG	4.39%	0.08%
Bobst Group AG	4.23%	0.12%
Huber & Suhner AG	4.14%	0.32%
Sika AG	3.92%	3.60%
CPH Chemie & Papier Holding AG	3.47%	0.06%
Schaffner Holding AG	3.36%	0.08%
<b>Total Top 15</b>	<b>80.31%</b>	<b>7.16%</b>

### Fund Profile & Key Figures

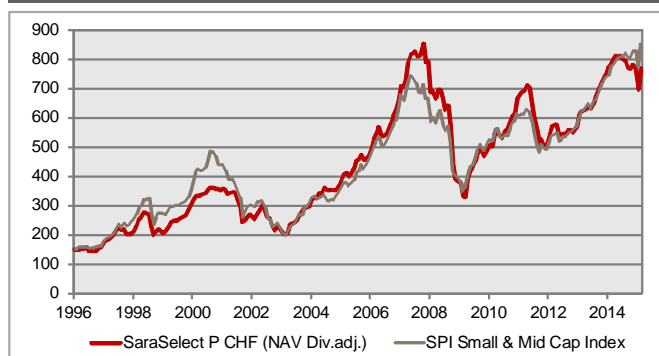
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
Fund Mgmt Company	J. Safra Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 515.1mn
Net Asset Value per Unit	CHF 769.17
Hist. Volatility*	11.27% p.a.
Tracking Error*	5.40% p.a.

\*Time period 3 years, monthly observation

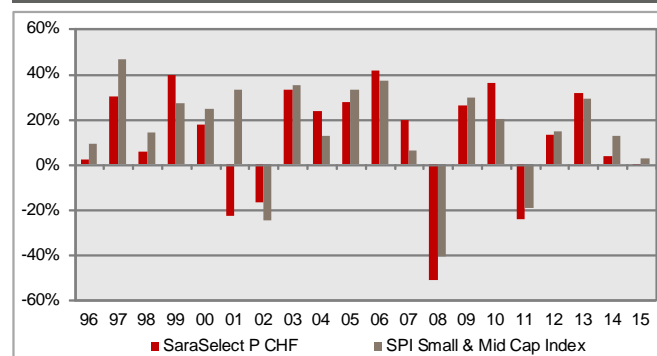
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-0.52%	9.96%	-1.03%	10.58% p.a.	8.94% p.a.	6.61% p.a.	8.86% p.a.
Index	2.73%	10.46%	9.86%	16.78% p.a.	10.35% p.a.	8.45% p.a.	9.44% p.a.

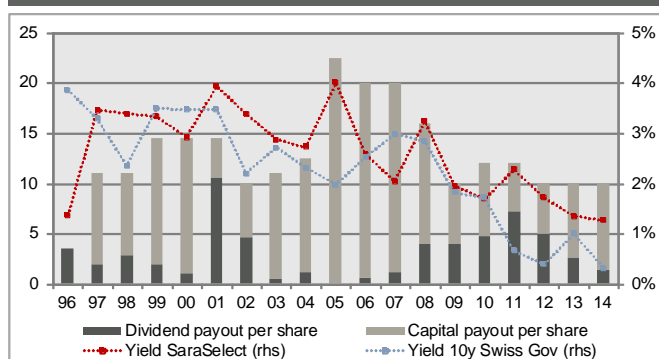
### Cumulative Performance since Inception



### 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%											-0.52%
	Index	-7.00%	10.46%											2.73%
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%	1.27%	4.45%	20.06%

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