

Portfolio & Market Environment

December being representative for the whole year 2015, was once again mainly influenced by central bank decisions. Firstly, the announcement of the ECB “only” to extend but not to expand its monetary policy disappointed (too) high market expectations. But shortly after, the previously expected interest rate hike by the Fed and the comment, that a normalization of interest rates will come rather later than soon, allowed equity markets to end the year with some positive momentum. Overall, the strong development of the smallest companies caused the small and mid cap segment to clearly outperform the SMI in 2015. In the reporting month, SaraSelect has gained another +1.83% and ended the year with a pleasing performance of +12.01%. Thereby, the fund outperformed its benchmark (ytd +11.01%) by exactly 1%.

The three portfolio heavy-weights Interroll (+10.80%), Bell (+7.62%) and Also (+7.50%) were responsible for the biggest positive performance contributions, in December and for the full year. Furthermore, Huber+Suhner (+12.91%) and Schaffner (+11.50%) also developed nicely towards the end of the year. On the other hand, Ascom (-21.87%) posted a weak December performance after a profit warning for both divisions shocked investors. Looking forward, the foreseeable disposal of the Network Testing entity and the associated changes in the board of directors make this stock an interesting pick for 2016. Concerning ams (-14.41%), the often experienced volatility hit the shares again together with many other technology companies due to slowing orders from Apple.

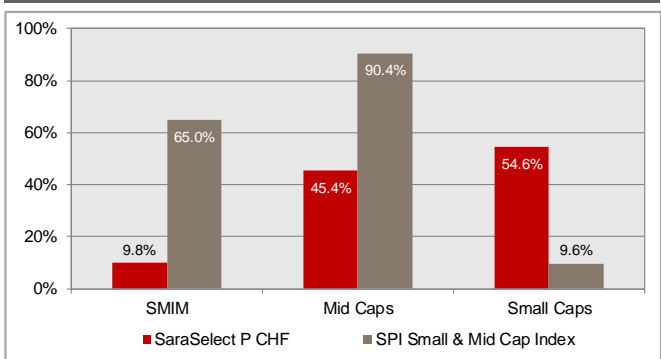
The start into the year was shaky because of rising turbulences in the Chinese stock market. This is a clear indication that the volatile environment will continue in 2016. Thanks to the strong positioning and the rock-solid balance sheets of our portfolio holdings accompanied by the ongoing reflation efforts of politicians around the globe we remain, especially in a relative prospective, optimistic for the full year.

Noticed...

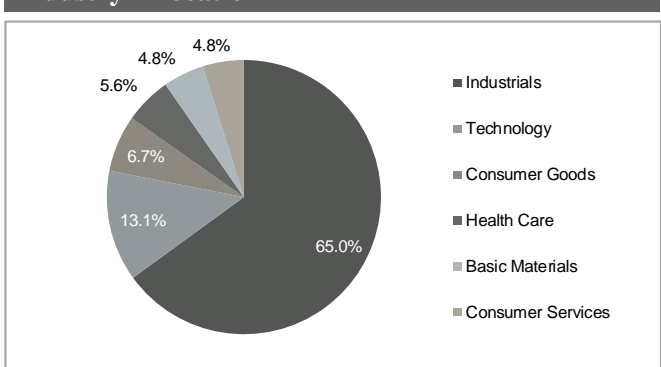
The take-over of the “small” Micronas (sales CHF 135mn) by “giant” TDK EPCOS (sales CHF 8bn) at a premium of 63% impressively demonstrates how companies still add value for their shareholders despite slowing topline growth. Persisting too low interest rates allow immediate profit increases thanks to the acquired earnings, normally largely out-weighting financing costs, even without considering potential synergies on different levels. This mode will work in 2016 as well and should lead to a further multiple expansion (see e.g. Syngenta). The strategic rational and complementarity (geography, customers, product offering and technologies) are important in that context. Ideally the targeted companies are global market leaders within their niches, something experienced by many Swiss small & mid caps.

At the beginning of the year, some people expect a fresh start for their old habits.
 Willy Meurer, businessman, aphorist and publicist

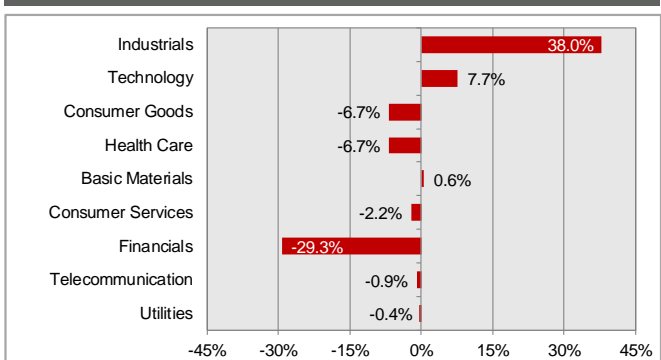
Segment Allocation



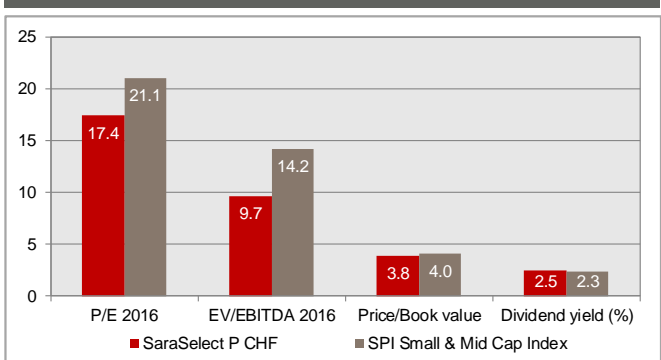
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

| | Fund | Index |
|-----------------------|---------------|--------------|
| LEM Holding SA | 7.91% | 0.23% |
| Bossard Holding AG | 7.48% | 0.28% |
| Daetwyler Holding AG | 6.53% | 0.54% |
| Bell AG | 6.42% | 0.21% |
| ALSO Holding AG | 5.89% | 0.08% |
| Bachem Holding AG | 5.47% | 0.10% |
| Interroll Holding AG | 4.91% | 0.26% |
| Phoenix Mecano AG | 4.88% | 0.21% |
| Bucher Industries AG | 4.78% | 0.70% |
| Bobst Group AG | 4.76% | 0.15% |
| Belimo Holding AG | 4.59% | 0.53% |
| Sika AG | 4.10% | 3.64% |
| dorma+kaba Holding AG | 3.95% | 1.07% |
| Huber & Suhner AG | 3.66% | 0.32% |
| Schaffner Holding AG | 3.26% | 0.06% |
| Total Top 15 | 78.59% | 8.34% |

Fund Profile & Key Figures

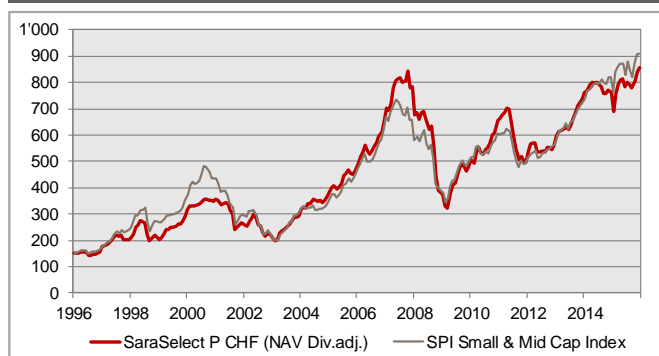
| | |
|--------------------------|----------------------------------|
| Asset Manager | VV Vermögensverwaltung AG |
| | Marc Possa (Deputy Pascal Marti) |
| Fund Mgmt Company | Sarasin Investmentfonds Ltd |
| Custodian Bank | Bank J. Safra Sarasin Ltd |
| Swiss Security No. | 123406 |
| ISIN | CH0001234068 |
| 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 449.9mn |
| Net Asset Value per Unit | CHF 855.22 |
| Hist. Volatility* | 11.13% p.a. |
| Tracking Error* | 6.48% p.a. |

*Time period 3 years, monthly observation

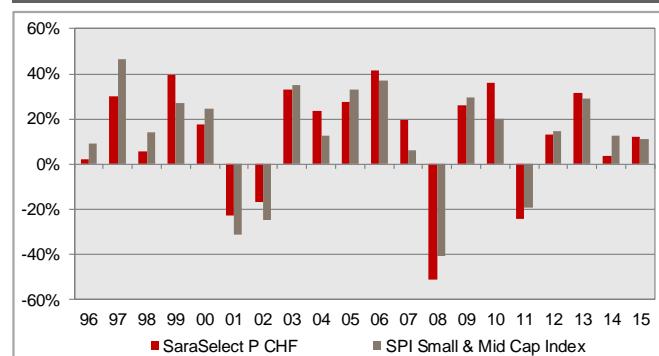
Performance Overview

| | YTD | 1 Month | 1 Year | 3 Years | 5 Years | 10 Years | since Launch |
|-------|--------|---------|--------|-------------|------------|------------|--------------|
| Fund | 12.01% | 1.83% | 12.01% | 15.04% p.a. | 5.45% p.a. | 6.34% p.a. | 9.07% p.a. |
| Index | 11.01% | 0.75% | 11.01% | 17.44% p.a. | 8.46% p.a. | 7.22% p.a. | 9.45% p.a. |

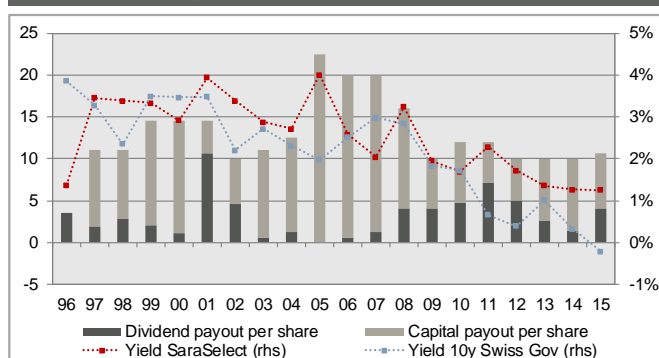
Cumulative Performance since Inception



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% | -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% |
| 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% |

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