

Portfolio & Market Environment

The mid April experienced sharp equity markets correction triggered by the Ukrainian political unrest and the setbacks of the inflated tech- and biotech sectors did not last too long. By the end of the month, many global indices had reached record levels again. Similarly, SaraSelect established further gains and rose by +1.42% in the reporting month, slightly outperforming the benchmark (+1.30%) and extending the ytd lead to +1.33%.

The biggest positive performance contributors were our portfolio heavy-weights Bobst (+6.42%), Bachem (+4.05%), Belimo (+3.76%) and Lem (+3.41%). A nice contribution also came from Adval Tech (+26.60%), which has regained some positive momentum after difficult years (see section below). The largest advance showed Publigroupe (+67.94%), where the sale of the core business (Media sales) will eventually lead to a breakup or full takeover of the company. The recent sell-off in Sulzer (+11.44%) came to an end and was followed by an impressive rebound despite more material changes on management level (CFO + IR leaving). The technology stocks Logitech (-9.85%) and Ascom (-7.90%) as well as Gurit (-6.65%) have had a negative development.

The small caps remained on the top of the segments of the Swiss stock exchange in April. With an advance of +1.25% the performance was not as strong as during the previous months, but still ahead of the blue chips (+0.27%) and the liquid mid caps SMIM (+0.11%), which were almost unchanged.

The outperformance of the small caps in the last months has reduced the valuation discount versus the larger companies. The appealing relative valuation of the small cap segment remains still stringent. The published Q1 2014 results and outlooks are also promising so far.

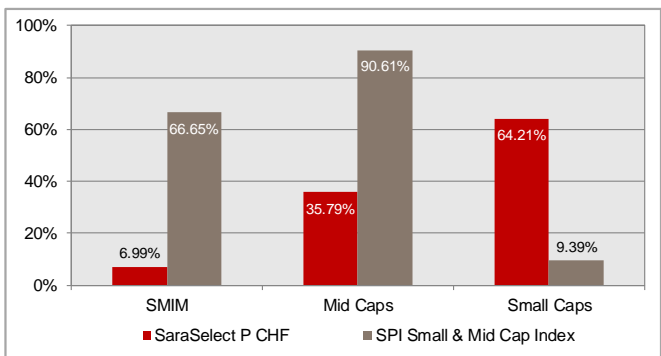
Noticed...

Finally... The strategic repositioning and the operating stabilization of Adval Tech is becoming visible in the 2013 annual report after several years of dedicated hard work. The company portfolio was streamlined and the focus is set on prosperous activities. The new co-operations and contracts with prestigious car producers will enable the validation of the historic investments. The stock exchange has recognized the respectable improvements of the long neglected stock with a rise of 27% in April alone. Adval Tech enjoys an attractive 7x EV/EBITDA 2014 multiple thanks of the stringent net debt reduction to CHF 68mn and the rising operating cash flows. This should enable further share price advances, given that many investments were already done the last couple of years.

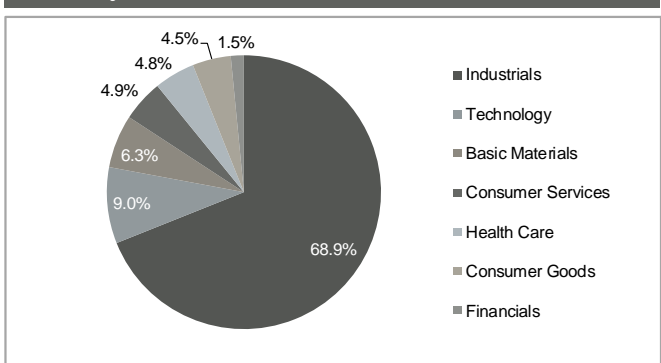
There's never been a market timer on the Forbes Rich list. If it were truly possible to predict corrections, you'd think somebody would have made billions by doing it.

Peter Lynch, US investor

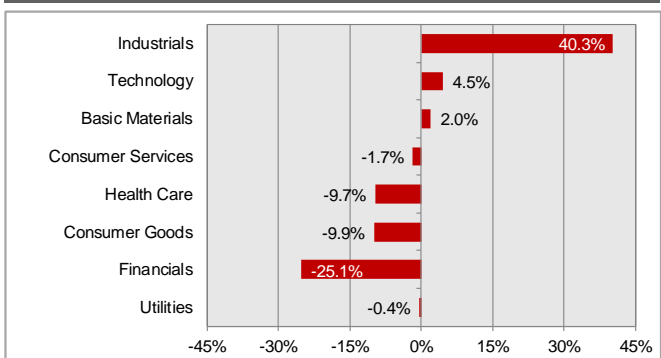
Segment Allocation



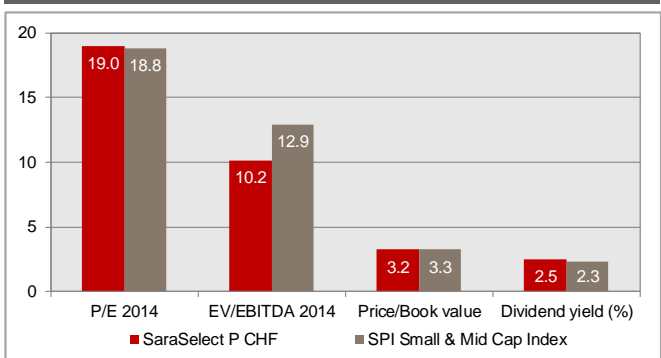
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	8.48%	0.23%
Daetwyler Holding AG	8.13%	0.48%
Bossard Holding AG	7.89%	0.33%
Interroll Holding AG	5.83%	0.17%
Phoenix Mecano AG	5.10%	0.18%
Belimo Holding AG	5.07%	0.57%
Bucher Industries AG	4.84%	0.96%
Bachem Holding AG	5.83%	0.17%
Bobst Group AG	4.70%	0.17%
Sika AG	4.69%	3.85%
Bell AG	4.34%	0.16%
Kaba Holding AG	3.88%	0.81%
Huber & Suhner AG	3.58%	0.35%
CPH Chemie & Papier Holding AG	3.29%	0.08%
ALSO Holding AG	2.94%	0.07%
Total Top 15	77.51%	8.52%

Fund Profile & Key Figures

Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Dep. Peter Lehner)
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 682.4mn
Net Asset Value per Unit	CHF 823.19
Hist. Volatility*	13.47% p.a.
Tracking Error*	5.93% p.a.

*Time period 3 years, monthly observation

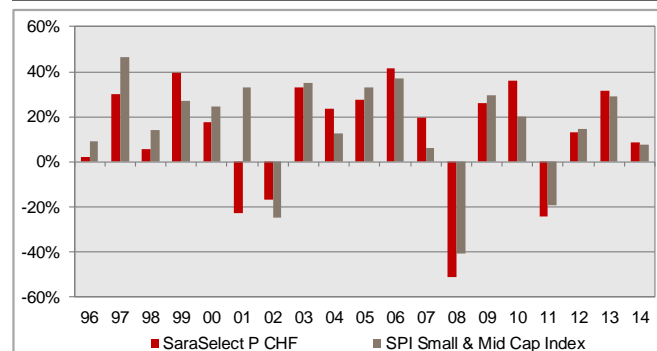
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	8.78%	1.42%	29.10%	4.44% p.a.	15.89% p.a.	9.02% p.a.	9.61% p.a.
Index	7.45%	1.30%	24.33%	7.85% p.a.	13.88% p.a.	9.22% p.a.	9.43% p.a.

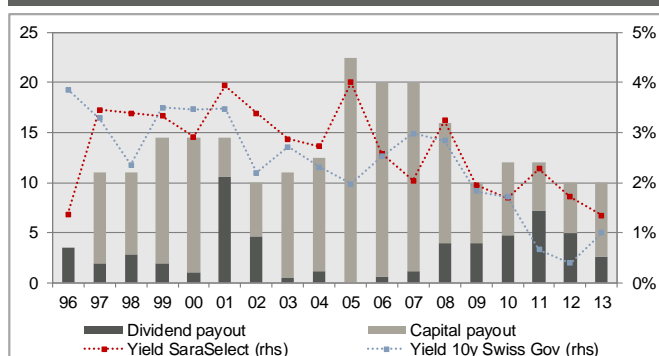
Cumulative Performance since Inception



Yearly Performance since Inception



Distributions



Year	Dividend	Capital Gain*	Total
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
2004	1.20	11.30	12.50

*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
2014	Fund	3.41%	0.57%	3.13%	1.42%									8.78%
	Index	1.42%	4.05%	0.52%	1.30%									7.45%
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%
2009	Fund	-2.24%	-11.31%	-2.41%	18.43%	7.13%	1.61%	6.81%	6.58%	2.73%	-2.06%	-2.88%	3.79%	25.93%
	Index	-2.89%	-8.32%	2.74%	14.33%	5.06%	1.12%	5.46%	5.56%	4.62%	-3.81%	0.50%	3.65%	29.65%

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