

### Portfolio & Market Environment

"Sell in May and go away" has not paid off in the last month. Once again, stock markets were able to grow. Although the investigations against the US president are actually poisoning the sentiment, the markets are supported by very good quarterly figures as well as a positive outlook on the economy. The mid caps increased by 3.01% and outperformed the small caps, which gained only 2.88%. The large caps advanced 3.00%. Despite the good stock selection in the fund, the benchmark, which rose 2.91%, was not beaten with a monthly performance of 2.41%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were achieved by Lem (96 bp), Advaltech (71 bp), ALSO (50 bp), Schaffner (44 bp), Phoenix Mecano (36 bp) and Interroll (20 bp). Negative contributions stem from not being invested in Sonova (-57 bp), Kühne & Nagel (-20 bp) and Partners Group (-18 bp) as well by our overweighted positions in Bossard (-25 bp), Sika (-22 bp) and Bobst (-18 bp). The summer is coming and company news is sparse, which is why we are reckoning with a consolidation of the market.

### Noticed... Unfortunate Galenica Santé IPO

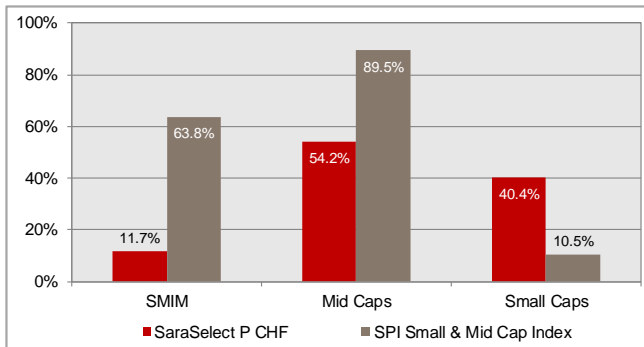
The suboptimal transaction structure coupled with the purely own interests following IPO lead banks (UBS, CS and Citi) has led to the fact that many loyal and long-standing Galenica shareholders were deprived by the Galenica Santé IPO. Today they remain shareholders of Vifor, a well-positioned pure pharma player, but the stable and defensive part (Santé) was taken away by the IPO, without given them a fair chance to remain invested.

Puzzling remains the fact why an otherwise over decades confident acting management team could be influenced so unfortunate by the banks and their consultants, leaving the previous Galenica shareholders with no subscription rights for Santé.

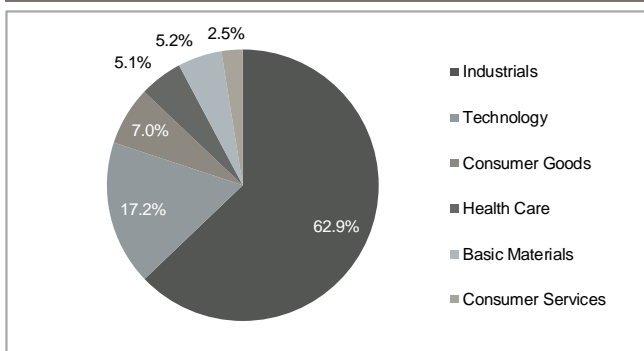
Mysterious is also, how certain banks that were not even in the syndicate did allocate up to 50% to their good clients while the big majority of shareholders that did not sign up with CS or UBS got zero allocations. Further, the regulators (FINMA, SIX and Swiss bankers association) contacted by disappointed investors all shied away from taken up responsibility and preferred to refer to some civil actions rights, although just few days before the FINMA CEO Mark Branson proudly proclaimed the integrity and well-functioning of the Swiss market place....

**Risk arises when investors do not know what they are doing.**  
Warren Buffett

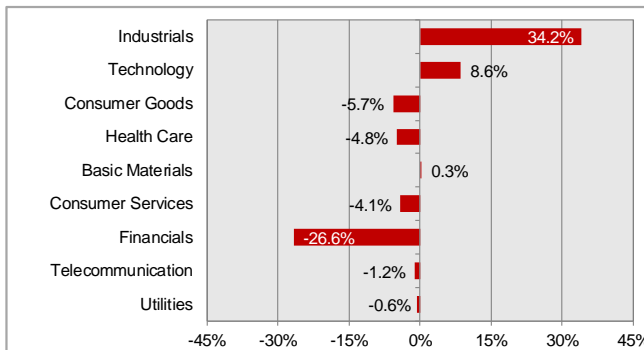
### Segment Allocation



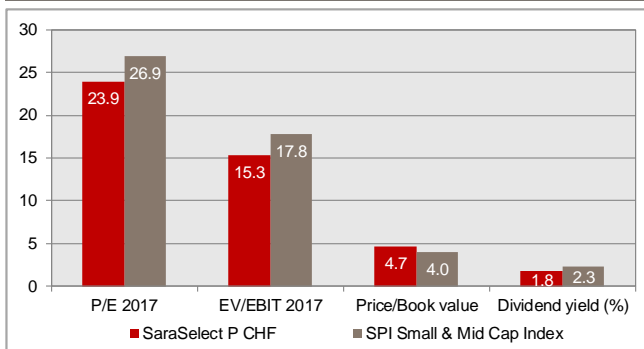
### Industry Allocation



### Industries relative to Benchmark




### Valuation



### Largest Positions

	Fund	Index
Bossard Holding AG	7.84%	0.45%
LEM Holding SA	6.41%	0.32%
Bachem Holding AG	4.92%	0.25%
Bobst Group SA	6.64%	0.32%
Belimo Holding AG	4.49%	0.75%
Sika AG	4.93%	0.00%
ALSO Holding AG	8.05%	0.35%
Daetwyler Holding AG	5.20%	0.32%
Bell Food Group AG	4.72%	0.25%
Bucher Industries AG	3.98%	3.98%
CPH Chemie & Papier Holding AG	2.32%	0.05%
Interroll Holding AG	3.35%	0.36%
Phoenix Mecano AG	3.91%	0.15%
Huber + Suhner AG	3.29%	0.43%
Vifor Pharma AG	0.07%	2.35%
<b>Total Top 15</b>	<b>72.41%</b>	<b>7.58%</b>

### Fund Profile & Key Figures

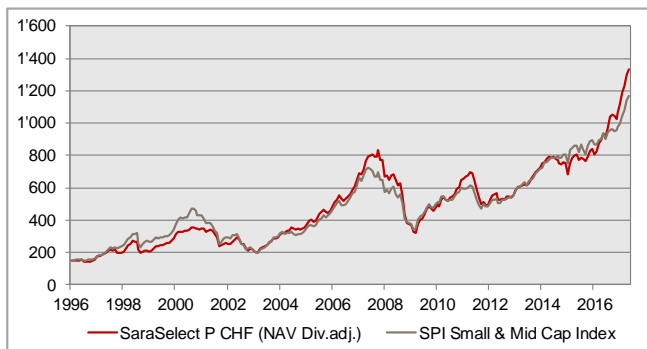
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds Ltd.
Custodian Bank	Bank J. Safra Sarasin Ltd.
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 637.5mn
Net Asset Value per Unit	CHF 1'333.54
Hist. Volatility*	12.64% p.a.
Tracking Error*	6.93% p.a.

\*Time period 3 years, monthly observation

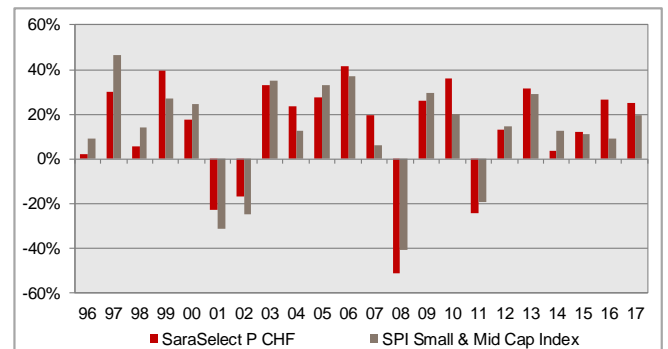
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	25.03%	2.41%	41.99%	19.23% p.a.	20.35% p.a.	5.32% p.a.	10.80% p.a.
Index	19.59%	2.91%	24.77%	14.33% p.a.	18.38% p.a.	4.91% p.a.	10.16% p.a.

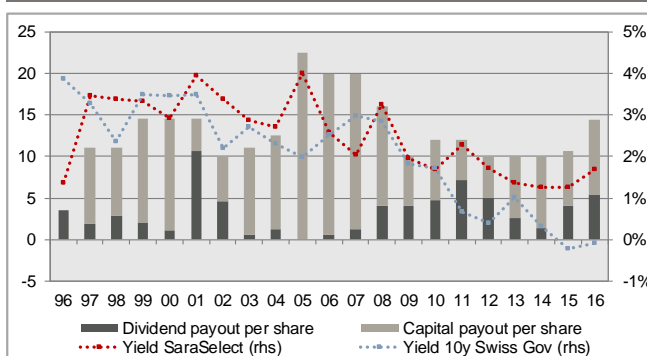
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distributions per share



Year	Dividend	Capital Gain*	Total
2016	5.40	9.05	14.45
2015	4.00	6.70	10.70
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

\*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
2017	Fund	4.91%	6.25%	3.36%	5.97%	2.41%								25.03%
	Index	2.11%	4.78%	2.76%	5.70%	2.91%								19.59%
2016	Fund	-4.55%	2.84%	5.78%	2.20%	4.94%	-2.76%	6.00%	7.46%	1.47%	-1.01%	-2.12%	4.28%	26.48%
	Index	-3.63%	-0.08%	3.56%	0.75%	4.00%	-3.77%	4.08%	1.66%	1.05%	-1.52%	0.54%	2.41%	9.01%
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%

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