

### Portfolio & Market Environment

The month of August showed some volatility and a small setback. The development was accompanied by further half year results from the mid- & and small-caps companies. The mid caps lost 0.75% and outperformed the small caps, which lost 1.13%. The large caps had the biggest setback with -1.43%. The fund was not able to catch up with the benchmark, which lost 0.79%, whereas the fund was down by -1.33%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were made by Bachem (35 bp), Adval Tech (19 bp), Bucher (14 bp), not being invested in Swiss Life (13 bp), Sika (11 bp) and LEM(10 bp). Negative contributions stem from Huber + Suhner (-49 bp) and not being invested in Straumann (-31 bp), Belimo (-23 bp), Daetwyler (-22 bp) as well as Phoenix Mecano (-19 bp) and our overweighted position in Orell Füssli (-16 bp). The market phased some disappointments with the half-year results of Huber + Suhner (see below) and Orell Füssli.

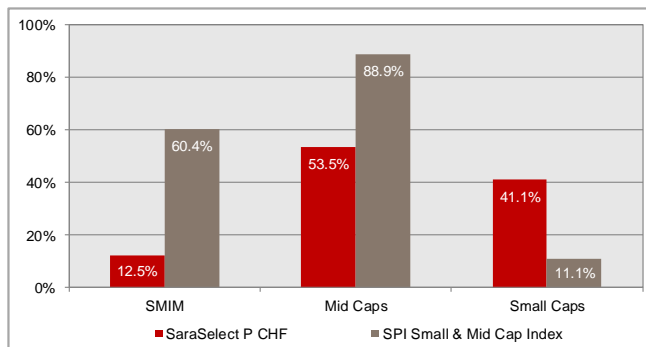
### Noticed... Communication of Huber + Suhner

The for currency and copper impacts (+0.3%) and portfolio effects (+2.2%) adjusted sales growth stood at a good 5.2%. The long ago well chosen 3x3 strategy leads to the situation, that beside the well running markets, geographies or technologies always certain legguards exist, which for political or other reasons do not perform as expected. This was the case for the "Low Frequency" division, were the Chinese train market is only about to regain some growth. Because the second division "Fibre Optics" faced some temporary EBIT margin pressure in this first half (from 14.3% to 8.7%), many investors lost patience.

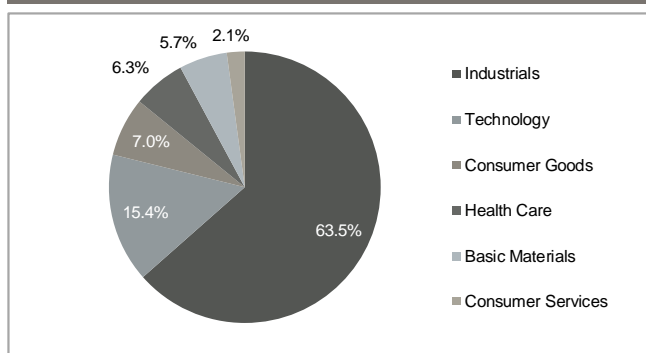
The short-term oriented financial industry coupled with an unlucky communication of the company lead to a setback of almost 18% which represents a good buying opportunity into a market leader for long-term oriented investors. Had the companies managers better guided and explained the situation within "Fibre Optics" before (some bigger, only little capital absorbing and therefore economic value creating, but low margin assembly activities in India), the disappointment and share price setback could have been prevented. Beside the strong drivers, valuation (EV/EBITDA 2018 of 9.5x), a high net cash position (CHF 140mn) and a rock solid balance sheet will re-attract some lost investors.

One learns more out of mistakes than out of successes  
Primo Levi

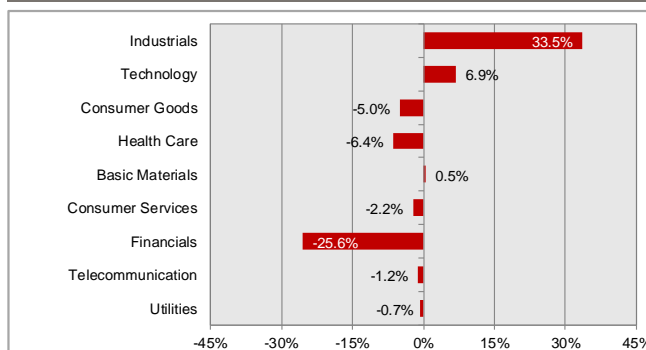
### Segment Allocation



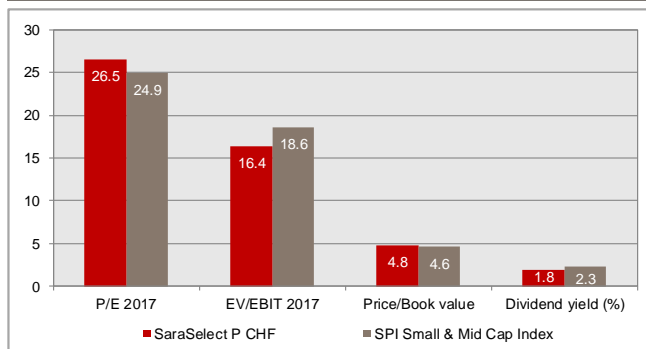
### Industry Allocation



### Industries relative to Benchmark




### Valuation



### Largest Positions

	Fund	Index
Bossard Holding AG	8.19%	0.48%
ALSO Holding AG	7.47%	0.33%
Bobst Group SA	7.26%	0.35%
LEM Holding SA	6.66%	0.33%
Sika AG	5.28%	0.00%
Bachem Holding AG	4.70%	0.24%
Bell Food Group AG	4.68%	0.25%
Daetwyler Holding AG	4.67%	0.33%
Belimo Holding AG	4.33%	0.73%
Bucher Industries AG	4.19%	4.19%
Phoenix Mecano AG	3.72%	0.14%
dormakaba Holding AG	3.36%	1.24%
Interroll Holding AG	3.19%	0.34%
Gurit Holding AG	2.92%	0.18%
Schaffner Holding AG	2.82%	0.07%
<b>Total Top 15</b>	<b>73.33%</b>	<b>6.38%</b>

### Fund Profile & Key Figures

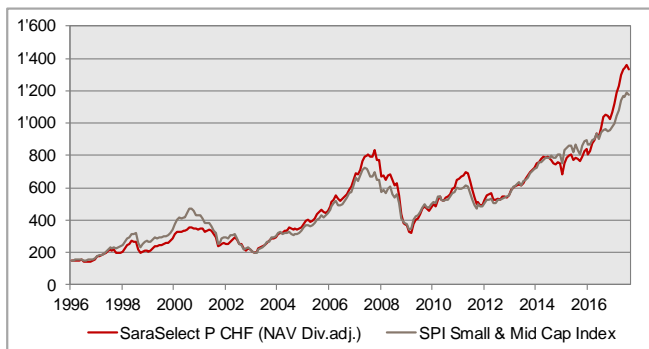
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds Ltd.
Custodian Bank	Bank J. Safra Sarasin Ltd.
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 643.5mn
Net Asset Value per Unit	CHF 1'341.59
Hist. Volatility*	12.31% p.a.
Tracking Error*	6.73% p.a.

\*Time period 3 years, monthly observation

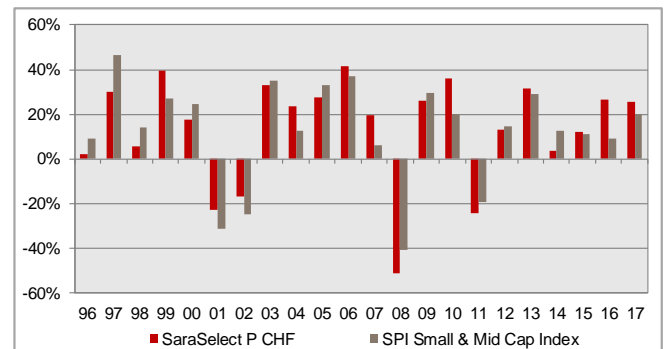
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	25.79%	-1.33%	28.97%	20.07% p.a.	20.45% p.a.	5.46% p.a.	10.69% p.a.
Index	20.34%	-0.79%	23.31%	13.70% p.a.	17.57% p.a.	5.79% p.a.	10.06% p.a.

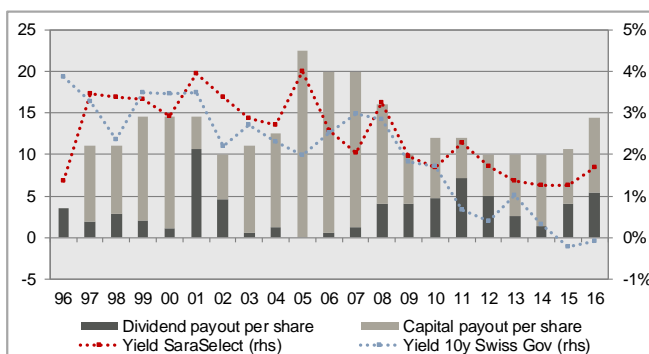
### Cumulative Performance since Inception



### 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%	0.26%	1.69%	-1.33%					25.79%
	Index	2.11%	4.78%	2.76%	5.70%	2.91%	-0.99%	2.44%	-0.79%					20.34%
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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