

Portfolio & Market Environment

On November 8, 2016, the Americans elected their 58th president. To the surprise of many market observers, Hillary Clinton, but Donald Trump, was not appointed to this office. Contrary to the expectations of its opponents, the stock markets did not collapse, but in some cases we saw a strong increase. This is undoubtedly due to the fact that in his conquest of victory he called the Americans together. The mid caps increased by 0.75% and clearly distanced the small caps, which lost 1.44%. The positive outcome of the elections also benefited the large caps, which gained 0.52%. The overweighting of small caps in the fund meant that this lost 2.11% and underperformed the benchmark, which gained 0.54%. The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were achieved by Bobst (105 bp), Bucher (21 bp), dormakaba (17 bp) and Lindt (16 bp) as well as not being invested in Sonova (26 bp). Negative performance was influenced by Lem (-1.63 bp), Phoenix Mecano (-43 bp), Also (-36 bp), Daetwyler (-26 bp), Bossard (-23 bp) and Bachem (-20 BP). Due to the too negative market sentiment and the improving macro picture, we expect a year-end rally to unfold.

Noticed... The battle for Sika

In a very well researched and produced documentary movie the journalist Ernst Meier is showing all aspects of this tragical epos. The motivations and deployed resources of all involved parties become very visible to the interested observer.

The pitiful behaviour of the Burkhard heirs is really well depicted first of all. The double moral with which the deeply offended felt descendants act, instrumentalized by star lawyer Urs Schenker, is even surprising the most experienced financial market participants.

They impressively demonstrate that verbal commitments are not to be taken for granted and that ownership and estate do come with responsibility, which has to be lived. That has to be learned or lived, one does not just inherit it from one generation to the next.

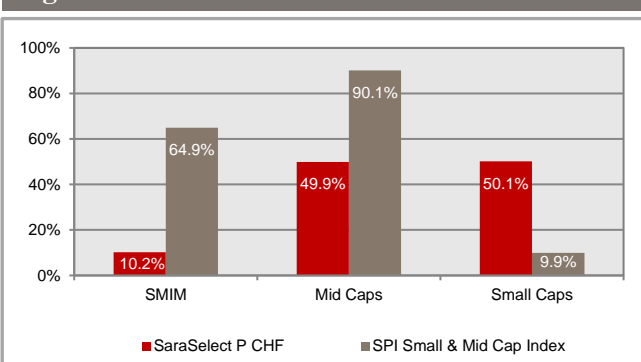
Here the link to the documentary movie: "The battle for Sika" (unfortunately there is no translation of the German version yet)

<https://www.youtube.com/watch?v=R0y0SrLm7Tg>

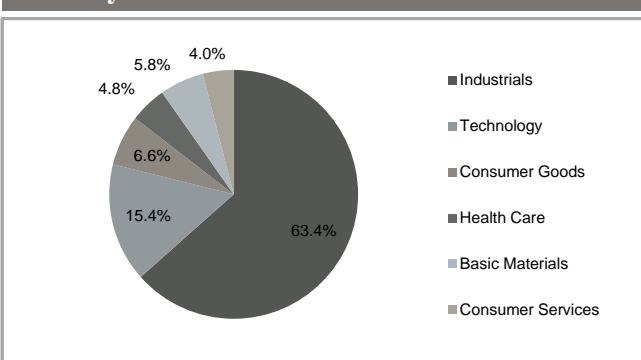
In politics, stupidity is not a handicap!

Napoleon Bonaparte

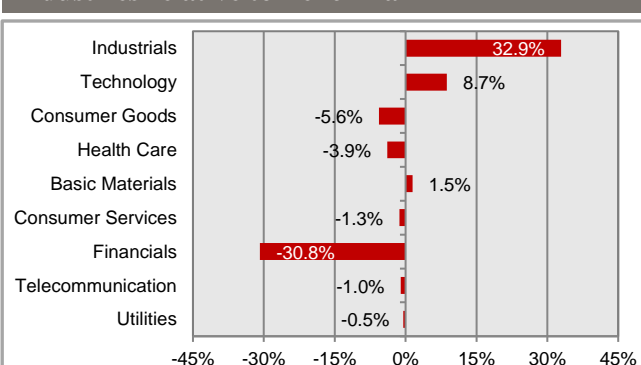
Segment Allocation



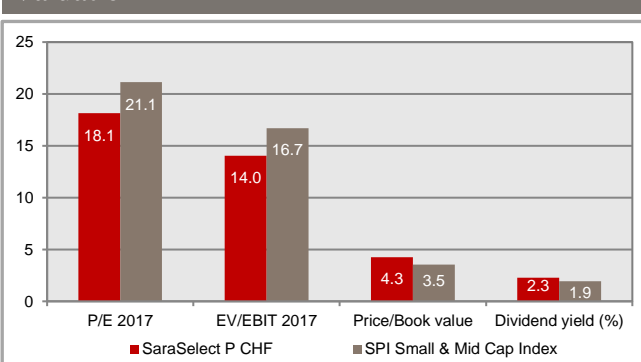
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
Bossard Holding AG	7.70%	0.35%
ALSO Holding AG	7.20%	0.18%
LEM Holding SA	6.89%	0.27%
Bobst Group SA	6.15%	0.24%
Bell AG	6.12%	0.26%
Daetwyler Holding AG	5.57%	0.47%
Sika AG	5.34%	4.95%
Bachem Holding AG	4.76%	0.24%
Belimo Holding AG	4.73%	0.63%
Phoenix Mecano AG	4.46%	4.46%
Bucher Industries AG	4.40%	0.72%
dormakaba Holding AG	3.98%	1.18%
Interroll Holding AG	3.84%	0.33%
Huber + Suhner AG	3.59%	0.37%
Gurit Holding AG	3.08%	0.15%
Total Top 15	77.80%	10.42%

Fund Profile & Key Figures

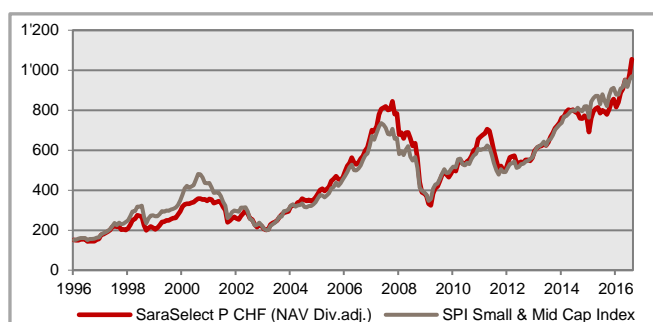
Asset Manager	VV Vermögensverwaltung AG
Fund Mgmt Company	Marc Possa (Deputy Thomas Buri)
Custodian Bank	J. Safra Sarasin Investmentfonds Ltd. Bank J. Safra Sarasin Ltd.
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund SiRe	CHF 461.8mn
Net Asset Value per Unit	CHF 1037.23
Hist. Volatility*	12.75% p.a.
Tracking Error*	7.21% p.a.

*Time period 3 years, monthly observation

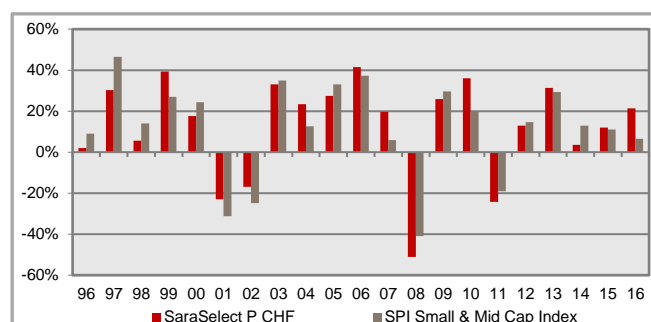
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	21.28%	-2.12%	23.50%	12.75% p.a.	15.60% p.a.	5.38% p.a.	9.67% p.a.
Index	6.45%	0.54%	7.25%	10.73% p.a.	14.60% p.a.	5.21% p.a.	9.34% p.a.

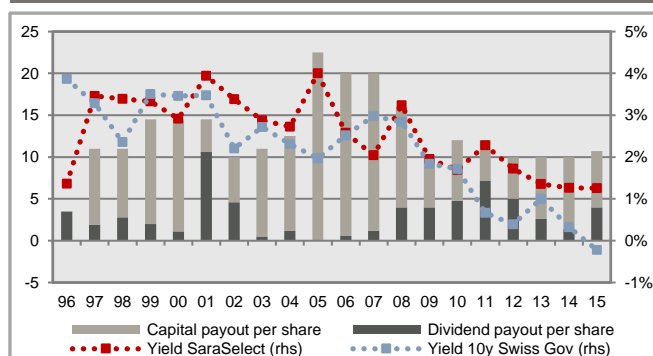
Cumulative Performance since Inception



Yearly Performance since Inception



Distributions per share



Year	Dividend	Capital Gain*	Total
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
2016	Fund	-4.55%	2.84%	5.78%	2.20%	4.94%	-2.76%	6.00%	7.46%	1.47%	-1.01%	-2.12%		21.28%
	Index	-3.63%	-0.08%	3.56%	0.75%	4.00%	-3.77%	4.08%	1.66%	1.05%	-1.52%	0.54%		6.45%
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%