

all data as of 30.09.2015

Portfolio & Market Environment

Within the last four years for the first time the broad Swiss market trended lower over two consecutive quarters, meanwhile losing over 12% from the mid-August highs. The recovery in July after the settlement in Greece and the very strong last trading day in September limited the overall damage. In September and within a very volatile environment, the Small & Mid Cap Index closed -3.08% lower after already losing almost 4% in August. The lagging nature of many SaraSelect stocks and the lack of hot money resulted in a better relative performance of the fund with -1.59%. With a year-to-date performance of +2.05% the portfolio is again nicely ahead of benchmark (-0.10%).

The by far biggest positive performance contribution in September came from the heavy-weight Bell (+11.87%). Without any news flow, the low valued meat producer was re-discovered by investors due to defensive characteristics, following a sideways performance during the course of the year. Other heavy-weights such as LEM (+2.65%) and Daetwyler (+4.84%) as well as Ascom (+5.90%) also resisted the overall negative trend and performed nicely. On the other hand, Bossard (-12.43%) was hammered with some delay by the slow down of investments in the agricultural sector. CPH (-19.25%), Belimo (-7.07%), Sika (-6.00%) and Bucher (-4.69%) also developed clearly negative.

Almost daily mode changes from "risk-on" to "risk-off" should continue and lead to an elevated short-term volatility in stock markets. The Fed's missed opportunity to hike USD rates disappointed market participants and was taken, together with the slowdown fears in China, as a confirmation of lower global growth and higher vulnerability of the overall system. Stocks as one of the few categories with positive total return expectations remain attractive despite the recent setbacks, offering a good entry level into a promising asset class.

Noticed...

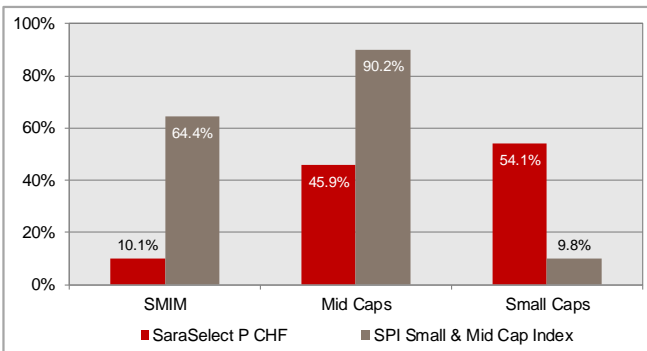
Glencore delivered a living example of perception change. Despite the low interest rate environment investors started to question the bearability of higher interest charges of the company, pricing in a pending capital increase and leading to an impressive sell-out in the stock. Finally equity investors are starting to consider balance sheets and leverage again, a focus abandoned over the last couple of years. With Aryzta and Dufry even some Swiss stocks were affected negatively by this shift of attention.

Comparing the equity-ratios of SaraSelect companies with those of the benchmark (57% vs 45%) and combining it with the amount of intangible assets (19% vs 40%) one gets an almost two times higher ratio of tangible equity for the SaraSelect portfolio. In times of rising volatility specifically this quality should lead to a higher stability.

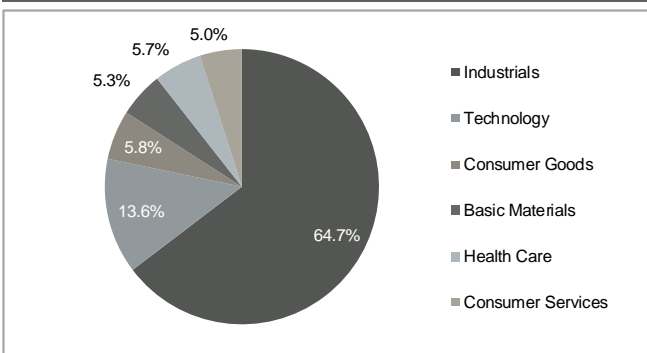
Towering mountains of debt offer a particularly bad outlook.

Martin Gerhard Reisenberg

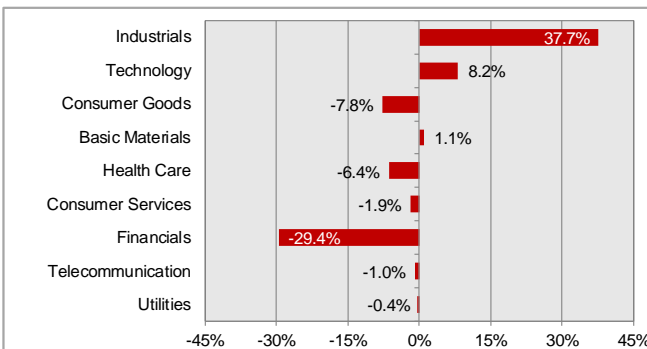
Segment Allocation



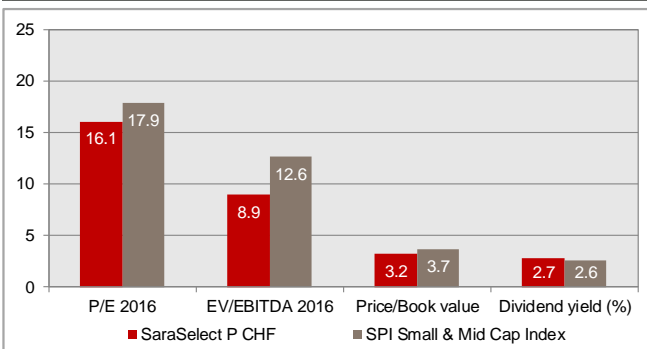
Industry Allocation



Industries relative to Benchmark



Valuation



Largest Positions

	Fund	Index
LEM Holding SA	8.49%	0.24%
Daetwyler Holding AG	7.64%	0.55%
Bossard Holding AG	6.58%	0.26%
Bachem Holding AG	5.67%	0.11%
Bell AG	5.65%	0.19%
ALSO Holding AG	5.32%	0.08%
Bobst Group AG	5.11%	0.16%
Phoenix Mecano AG	5.01%	0.11%
Bucher Industries AG	4.92%	0.72%
Interroll Holding AG	4.65%	0.24%
Huber & Suhner AG	4.30%	0.32%
Belimo Holding AG	4.22%	0.49%
Sika AG	4.01%	3.35%
dorma+kaba Holding AG	3.64%	0.94%
Schaffner Holding AG	3.13%	0.06%
Total Top 15	78.33%	7.84%

Fund Profile & Key Figures

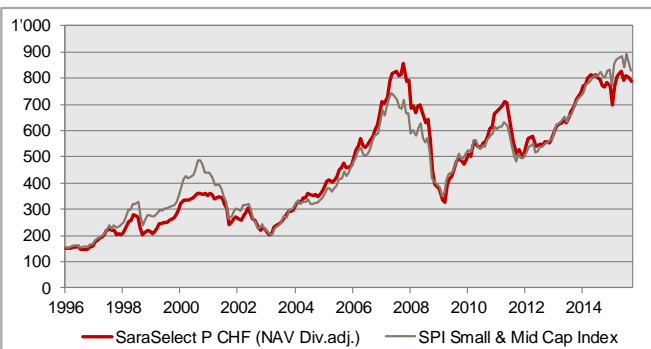
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Pascal Marti)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 427.4mn
Net Asset Value per Unit	CHF 789.08
Hist. Volatility*	11.10% p.a.
Tracking Error*	6.32% p.a.

*Time period 3 years, monthly observation

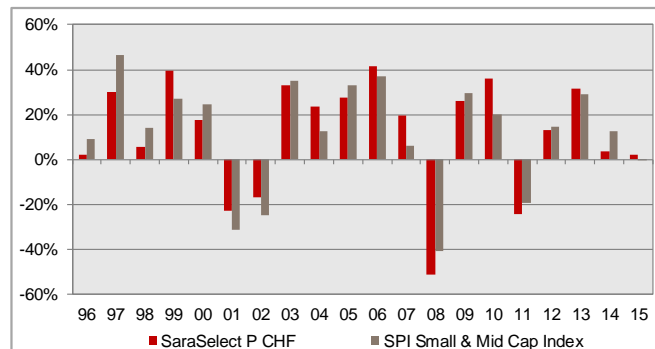
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	2.05%	-1.59%	2.54%	12.19% p.a.	6.41% p.a.	5.20% p.a.	8.68% p.a.
Index	-0.10%	-3.08%	2.64%	14.68% p.a.	8.07% p.a.	6.49% p.a.	8.99% p.a.

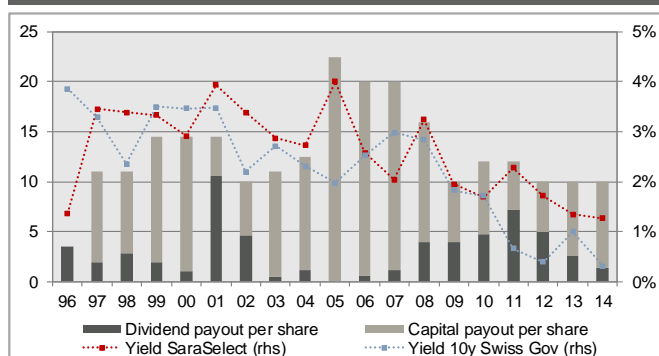
Cumulative Performance since Inception



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%				2.05%
	Index	-7.00%	10.46%	1.98%	1.29%	0.08%	-4.72%	5.96%	-3.87%	-3.08%				-0.10%
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%	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%	-0.86%	-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%

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