

Portfolio & Market Environment

Shares were also able to increase again in December. Profit-taking in the technology sector, which began in November, continued in December. The shares are supported by the broad-based global economic growth. Small caps gained 2.69% in this environment and mid caps rose by 1.68%. Large caps achieved the worst performance with an increase of only 0.47%. Thanks to the fund's good equity selection, the benchmark, which gained 1.78%, was beaten significantly with a monthly performance of 2.66%. The comparison is even more impressive on an annual basis, where the fund achieved a performance of 41.06%, compared with 29.71% of the benchmark.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions came from Bachem (65 bp), LEM (44 bp), Bossard (33 bp), Daetwyler (30 bp) and Bobst (27 bp). Negative contributions stem from not being invested in Aryzta (21 bp), Swiss Life (-19 bp) and Barry Callebaut (-18). Economic growth remains robust and supports earnings prospects for equities. Moreover, inflation seems to be under control worldwide. We expect a positive environment for equities in 2018.

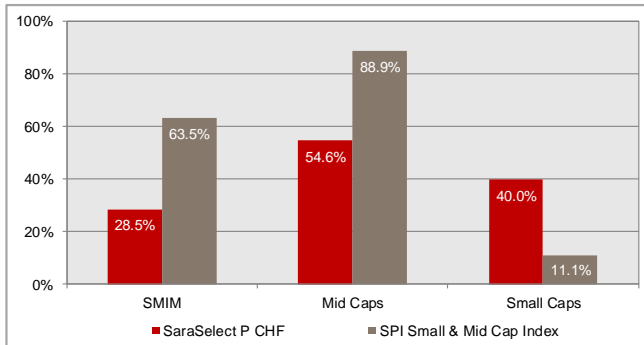
Noticed... successful Poenina IPO

The very successful IPO of Poenina Holding AG is the living proof that smaller, well managed companies can be brought to the capital market without the collaboration of big banks. The company is active in the installation business and has a focus on building technology and envelope. The areas of sanitary, heating, ventilation, climate control as well as roofing are tackled. Some acquisitions and 450 employees did increase historic turnover and profitability continuously, 2016 turnover reached CHF 113.5 mn with an EBITDA margin of 7.8%. Today, roughly 80% of turnover is generated in the area of new construction and 20% with renovation projects. There is an additional future growth opportunity especially in the field of renovation. The stock has risen over 30% since the mid November 2017 IPO at CHF 46.- and is valued at a PE multiple of roughly 20x. In today's persisting low interest rate environment, the stock should experience a stable development thanks to the dividend yield of over 2.5%, the limited invested capital and the defensiveness of the business model. The so important alignment of interest between minority shareholders and the executive majority shareholder seem to be given.

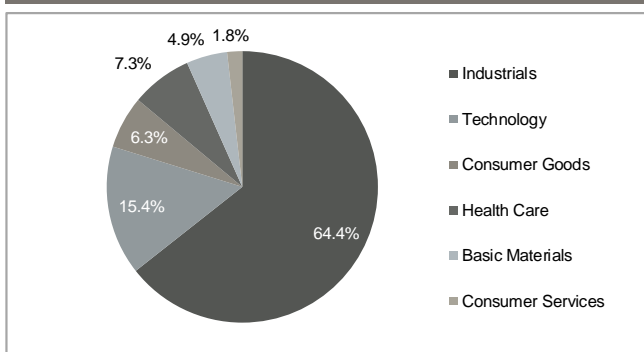
The only investor who should not diversify is the one who is always 100% correct.

Sir John Templeton

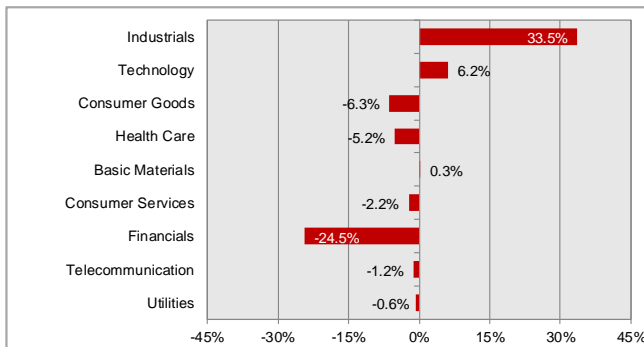
Segment Allocation



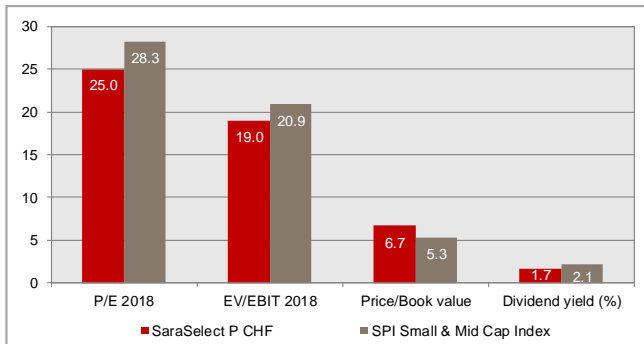
Industry Allocation



Industries relative to Benchmark




Valuations



Largest Positions

	Fund	Index
LEM Holding SA	8.21%	0.43%
Bobst Group SA	7.69%	0.39%
ALSO Holding AG	7.13%	0.33%
Bossard Holding AG	7.30%	0.49%
Sika AG	5.34%	0.00%
Daetwyler Holding AG	5.20%	0.57%
Bachem Holding AG	5.53%	0.29%
Bucher Industries AG	4.37%	1.03%
Belimo Holding AG	4.36%	0.77%
Bell Food Group AG	4.06%	0.23%
Phoenix Mecano AG	3.80%	0.15%
Interroll Holding AG	3.34%	0.37%
dormakaba Holding AG	2.82%	1.22%
Logitech International SA	2.50%	2.11%
Schaffner Holding AG	2.37%	0.06%
Total Top 15	74.00%	8.45%

Fund Profile & Key Figures

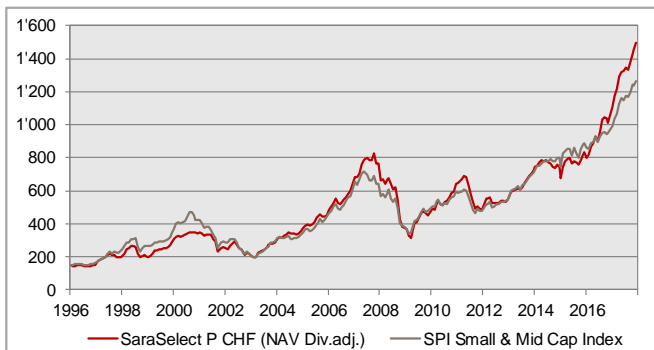
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Stv. Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 724.5 mn
Net Asset Value per Unit	CHF 1'491.34
Hist. Volatility*	13.05% p.a.
Tracking Error*	6.55% p.a.

*Time period 3 years, monthly observations

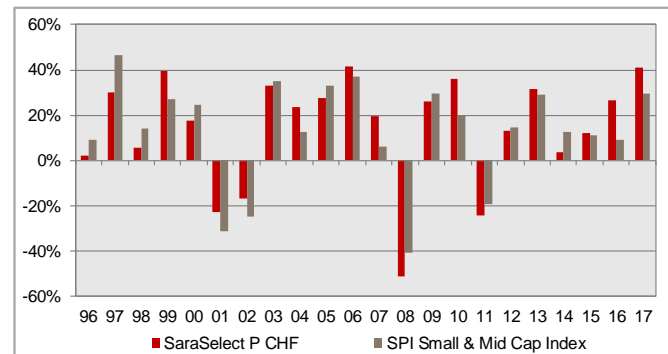
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	41.06%	2.66%	41.06%	25.93% p.a.	22.11% p.a.	6.90% p.a.	11.15% p.a.
Index	29.71%	1.78%	29.71%	16.20% p.a.	18.02% p.a.	6.92% p.a.	10.28% p.a.

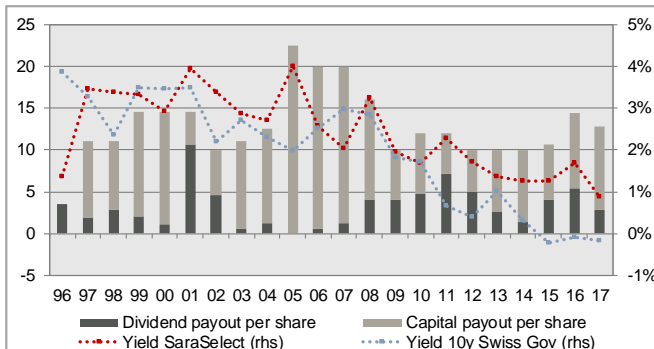
Cumulative Performance since Inception



Yearly Performance since Inception



Distribution per Share



Year	Dividend	Capital Gain*	Total
2017	2.80	10.00	12.80
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

*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%	3.82%	3.30%	1.86%	2.66%	41.06%
	Index	2.11%	4.78%	2.76%	5.70%	2.91%	-0.99%	2.44%	-0.79%	2.51%	3.67%	-0.35%	1.78%	29.71%
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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