

All data as of 30.09.2019

**Portfolio & Market Environment**

As expected, the US Federal Reserve has lowered its key interest rate for the second time this year and the ECB has put together a new stimulus package. However, the trade conflict is still unresolved. The overall market (SPI) went up by 1.43% in the reporting period. The small caps advanced by 2.48% and mid caps by 2.50%. The large caps achieved a performance of 1.18%. The overweight of small caps in the fund meant that it went up by 2.33%. It underperformed the benchmark, which advanced by 2.50%.

The monthly performance of the SaraSelect portfolio was significantly influenced by the following holdings. The largest positive contributions were made by Gurit (50 bp), Belimo (20 bp), Bell (41 bp), Daetwyler (21 bp) and Bobst (21 bp). Performance was negatively impacted by Lem (-35 bp) and not being invested in Adeco (-19 bp), Swiss Life (-19 bp), Baloise (-19 bp) and Straumann (-18 bp). It becomes evident that the economy is weakening across the broad, which is why an ultra-expansive monetary policy is taken up by central banks.

**Noticed... Gurits strategy**

When Rudolf Hadorn took over as new CEO of Gurit in November 2007, he was facing a company being focused on core materials and being dependent of two big customers (Vestas + Gamesa) in the area of Wind. The strategic solution was obvious: 1. Build-up of a broader offering consisting of components and sub-systems to counter the dependence of core materials 2. Increase the offering in wind and non-wind areas and 3. Broadening of the customer base.

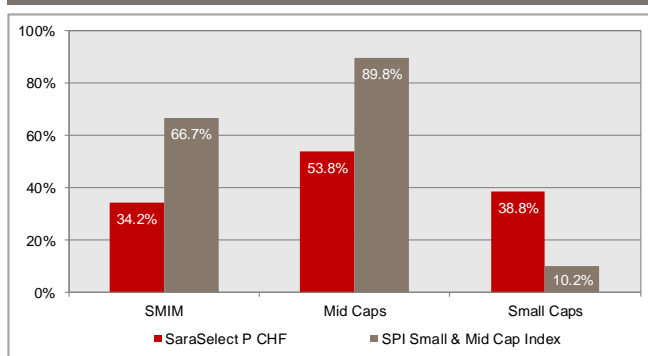
Today, 12 years later Gurit is still facing a certain wind-dependency, but thanks to the build-up of further core materials (Balsa, green PET amongst others), tooling, kitting and a multitude of new clients also in non-wind areas (marine + Aerospace), the company is much better diversified. The competitiveness of wind energy has also improved. In certain countries it has already reached grid-parity. Whilst the diversification effort into the car parts production out of composites has failed, it was important to react to the fact of not reaching certain specifications. The multi-year transformation process would not have been possible without the help and understanding of long-term oriented core shareholders (families Heberlein, Huber and Bisang). With that, the long series of better performing family controlled companies is impressively prolonged. Thanks to the good stock market development over the past 5 years (+254.5%) the index was nicely outperformed and a historic underperformance compensated.

With structural growth over GDP and the political will, the company has, with an EV/EBITDA 2020 of only 9.7x some further upside potential.

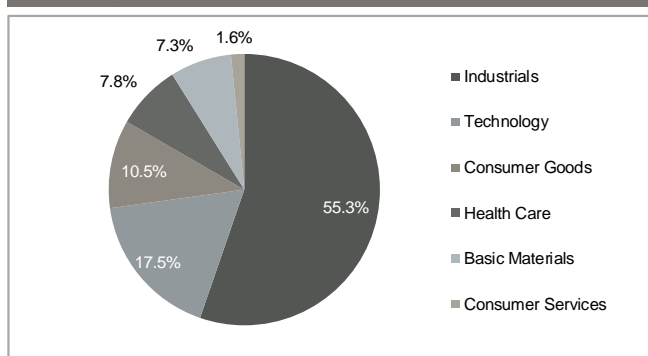
The stock market reacts only ten percent to facts, everything else is psychology.

André Kostolany

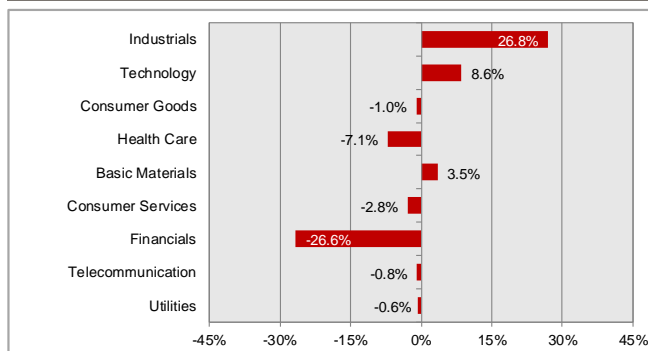
**Segment Allocation**



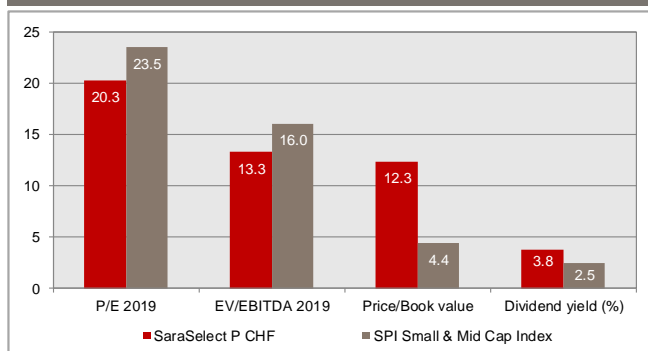
**Industry Allocation**



**Industries relative to Benchmark**




**Valuations**



### Largest Positions

	Fund	Index
ALSO Holding AG	8.23%	0.14%
Sika AG	6.56%	0.00%
LEM Holding SA	6.41%	0.29%
Belimo Holding AG	6.00%	0.96%
Bachem Holding AG	5.77%	0.06%
Bell Food Group AG	5.05%	0.05%
Interroll Holding AG	4.64%	0.53%
Bossard Holding AG	4.63%	0.33%
Daetwyler Holding AG	4.62%	0.45%
Logitech International SA	4.00%	2.51%
CPH Chemie & Papier Holding AG	3.61%	0.23%
Chocoladefabriken Lindt & Spru	3.59%	2.65%
Bobst Group SA	3.43%	0.20%
Gurit Holding AG	3.42%	0.12%
Bucher Industries AG	3.27%	0.84%
<b>Total Top 15</b>	<b>73.24%</b>	<b>9.36%</b>

### Fund Profile & Key Figures

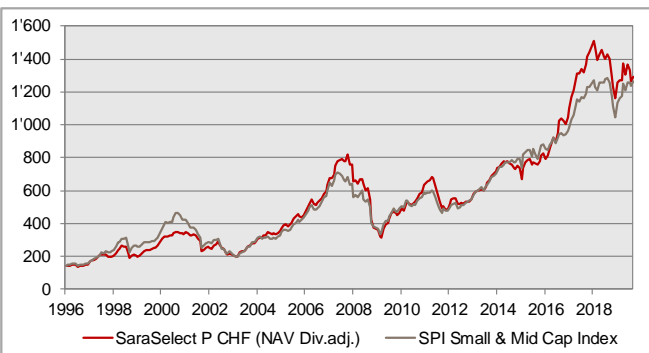
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 667.9 mn
Net Asset Value per Unit	CHF 1'292.89
Hist. Volatility*	13.94% p.a.
Tracking Error*	6.51% p.a.

\*Time period 3 years, monthly observations

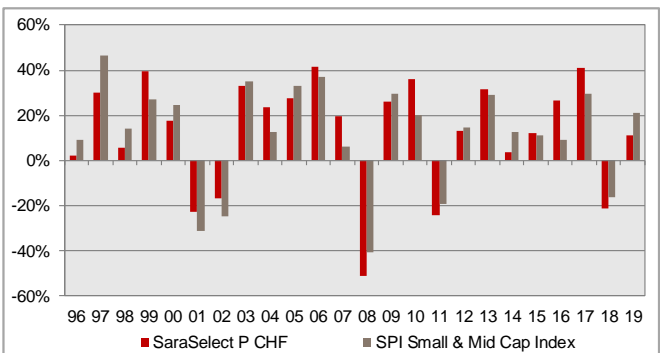
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	11.20%	2.33%	-7.57%	7.59% p.a.	11.89% p.a.	10.55% p.a.	9.66% p.a.
Index	21.25%	2.50%	0.61%	10.06% p.a.	10.32% p.a.	9.97% p.a.	9.55% p.a.

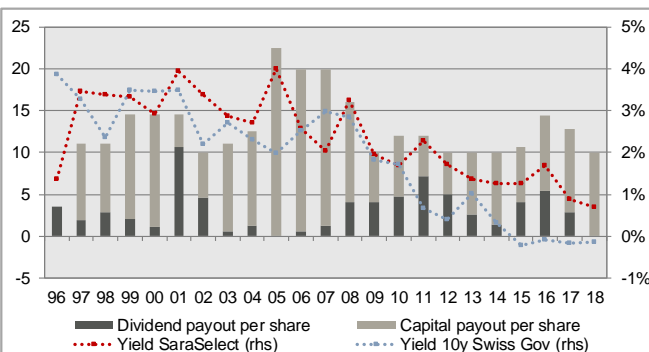
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distribution per Share



Year	Dividend	Capital Gain*	Total
2018	0.00	10.00	10.00
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

\*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
2019	Fund	8.17%	1.05%	0.21%	7.86%	-5.07%	4.94%	-2.66%	-5.15%	2.33%				11.20%
	Index	8.77%	2.46%	1.01%	6.20%	-3.22%	4.01%	0.00%	-1.71%	2.50%				21.25%
2018	Fund	2.04%	-2.32%	-5.26%	2.40%	1.70%	-2.54%	-1.02%	1.94%	-2.22%	-7.52%	-5.04%	-5.35%	-21.42%
	Index	1.81%	-3.03%	-2.03%	3.95%	-0.14%	0.31%	1.79%	0.60%	-2.29%	-6.67%	-5.06%	-6.36%	-16.40%
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%

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