

Portfolio & Market Environment

The fiscal stimuli issued by the newly elected President of the USA and broad deregulation were very well received by the markets. Together with the hope for a year-end rally, the December developed very positively. The mid caps increased by 2.26%, but were unable to beat the small caps, which gained 3.77%. The large caps gained 4.32%, mainly due to Actelion's takeover rumors by Johnson & Johnson. The overweighting of small caps in the fund meant that it gained 4.27% and outperformed the benchmark, which gained 2.41%.

The monthly performance of the SaraSelect portfolio was driven by the following holdings. The largest positive contributions were achieved by Lem (54 bp), Bobst (43 bp), Bell (40 bp), Bosasrd (38 bp), Daetwyler (37 bp), Bachem (34 bp) and Also (28 bp). Negative performance was influenced by not being invested in Straumann (-17 bp), Clariant (-15 bp), GAM (-14 bp), Swiss Life (-13 bp), Baloise (-13 bp) and Flughafen Zurich (-12 BP). We expect the markets to start strongly into the New Year.

Noticed... Bobst

The 1890 in canton Waadt founded company is the worldwide leading supplier of equipment and services to the packaging and label industries. With a 2016 performance of almost 73% it is amongst the top 5 shares in Switzerland. With a market capitalization of CHF 1.2 bn the company is reappearing on the radar of Anglo-Saxon investors.

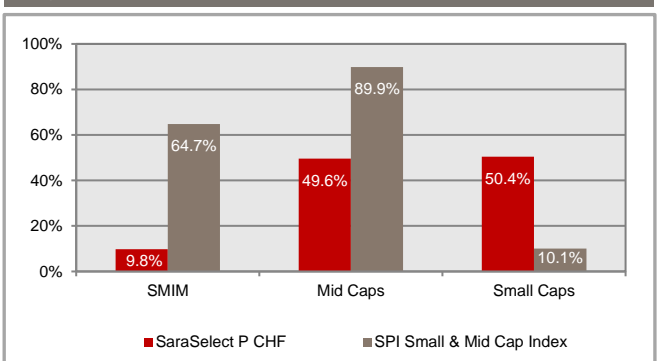
Despite impressive initial investments in the field of digitalization and a so far slow revenue growth Bobst has managed to drive the EBIT margin towards the 7-8% target level, this thanks to the implemented group-wide standardization program.

With a 2017 EV /EBITDA of about 8.5x it remains one of the cheapest stocks in the Swiss market and within the industrial segment. The expected breakthrough in the digital field will prove all sceptics wrong and further lift up the stock to new highs – we are very confident and remain invested.

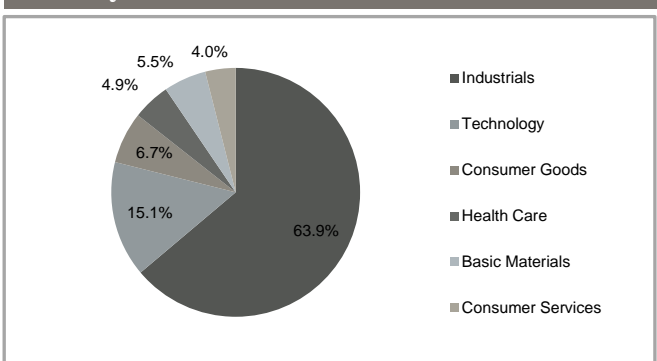
Everyone can make money with shares if he only does his homework.

Peter Lynch

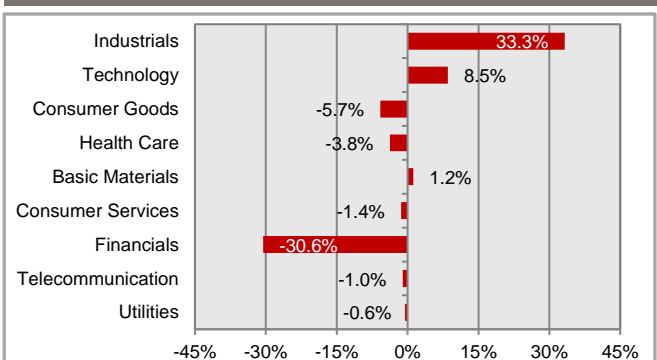
Segment Allocation



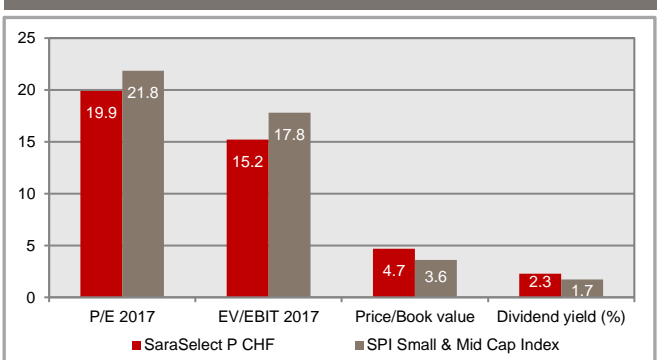
Industry Allocation



Industries relative to Benchmark




Valuation



Largest Positions

	Fund	Index
Bossard Holding AG	8.07%	0.35%
ALSO Holding AG	7.50%	0.20%
LEM Holding SA	7.42%	0.28%
Bobst Group SA	6.59%	0.25%
Bell AG	6.51%	0.27%
Daetwyler Holding AG	5.99%	0.49%
Sika AG	5.30%	4.77%
Bachem Holding AG	5.08%	0.25%
Belimo Holding AG	4.93%	0.64%
Phoenix Mecano AG	4.55%	4.55%
Bucher Industries AG	4.72%	0.76%
dormakaba Holding AG	4.10%	1.18%
Interroll Holding AG	4.03%	0.33%
Huber + Suhner AG	3.73%	0.38%
Gurit Holding AG	3.00%	0.14%
Total Top 15	81.53%	10.38%

Fund Profile & Key Figures

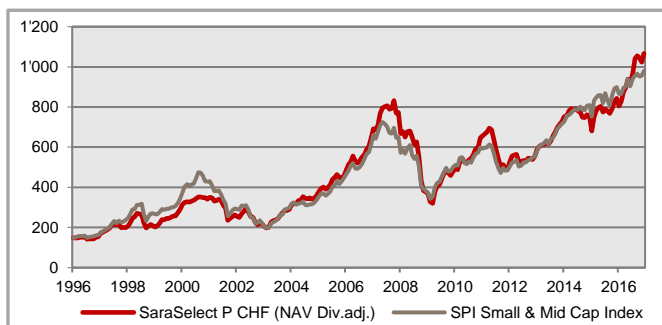
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Deputy Thomas Buri)
Fund Mgmt Company	J. Safra Sarasin Investmentfonds Ltd.
Custodian Bank	Bank J. Safra Sarasin Ltd.
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up stock picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 475.3mn
Net Asset Value per Unit	CHF 1066.57
Hist. Volatility*	12.87% p.a.
Tracking Error*	7.47% p.a.

*Time period 3 years, monthly observation

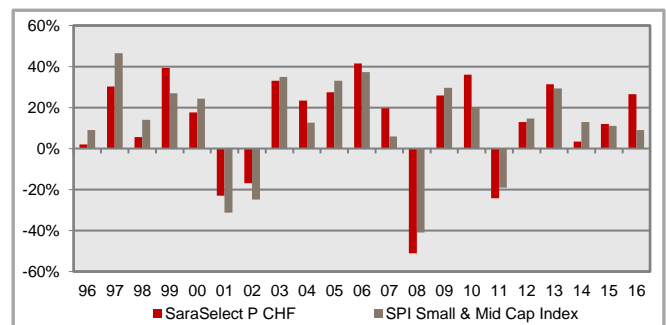
Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	26.48%	4.28%	26.48%	13.58% p.a.	16.80% p.a.	5.15% p.a.	9.84% p.a.
Index	9.01%	2.41%	9.01%	10.94% p.a.	15.12% p.a.	4.78% p.a.	9.43% p.a.

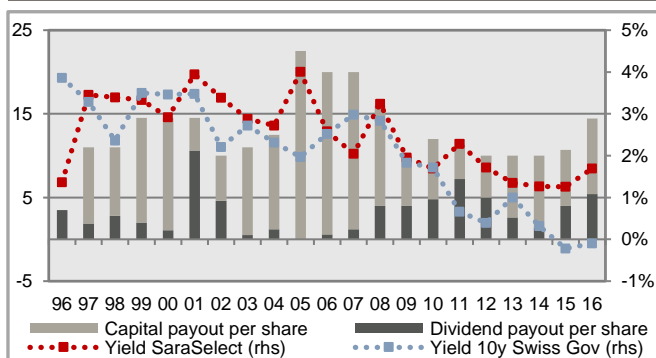
Cumulative Performance since Inception



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
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%
2016	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%
2015	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%
2014	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%
2013	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%
2012	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%
2011	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%

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