

### Portfolio & Market Environment

The smouldering trade war between the USA and China put pressure on investors' sentiment. The US technology stocks in particular were valued significantly lower as a result of these diverse statements. The European technology sector could not escape. In this environment, small caps lost 1.86% and mid caps -0.50%. The performance of the large caps was the best with -0.33%. The overweight in small caps resulted in an underperformance for the month. The fund lost 5.26%, whereas the benchmark was down by 2.03%.

The monthly performance of the SaraSelect portfolio was mainly driven by the following holdings. The largest positive contributions came from not being invested in Straumann (17 bp), Schindler (16 bp), Meyer Burger (14 bp), Dufry (13 bp) and Sunrise (13 bp). The performance was negatively influenced by Bossard (-101 bp), Bobst (-69 bp), Daetwyler (-37 bp), Gurit (-37 bp) and Interroll (-28 bp). The market is, despite very good full year announcements, in a bottom formation phase that could last a few more weeks. A solution to the trade conflict would certainly be viewed positively by market participants.

### Noticed... Equity risk premia at 6%

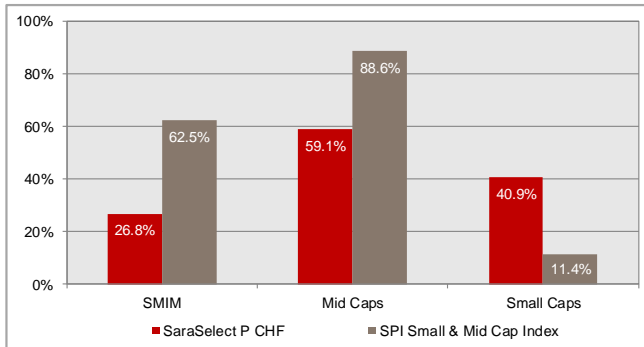
The risk premia represents the needed surplus return versus the "risk-less" government bond yield required by equity investors, calculated by taking the reciprocal of the PE and deducting the 10-yr government bond yield. After their increase to 0.2% interest rates have come back to almost 0% again. Including the setback of the equity market incurred in February and March and the better than expected company reportings, the Swiss equity risk premia is at an attractive 6% again. One has to ask one-self which the relevant risk measures are and where the risks are lurking in the future.

Inflation will come back in an environment of strongly rising debt levels and meanwhile also nicely rising salaries across the board. The ability of passing on higher inflation is therefore crucial. High market shares and other USPs become more relevant. Good companies do command exactly those capabilities. Therefore the protections against uncontrolled rising future inflation rates is highest within those real values, as long as debt levels are not too excessive and the world is not entering into a sudden recession.

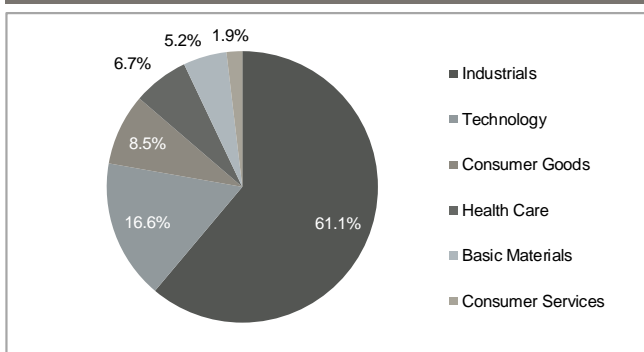
Consider stock market fluctuations as your friend and not as your enemy. Benefit from the folly of others, instead of participating in it.

Warren Buffet

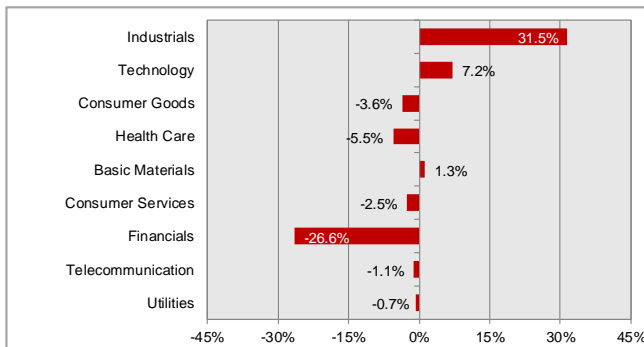
### Segment Allocation



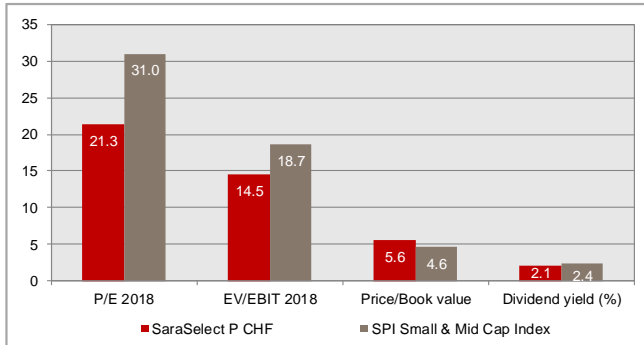
### Industry Allocation



### Industries relative to Benchmark




### Valuations



### Largest Positions

	Fund	Index
LEM Holding SA	7.66%	0.42%
ALSO Holding AG	6.49%	0.32%
Bobst Group SA	6.08%	0.32%
Bossard Holding AG	5.90%	0.43%
Sika AG	5.01%	0.00%
Daetwyler Holding AG	4.64%	0.57%
Bachem Holding AG	4.38%	0.25%
Phoenix Mecano AG	3.97%	0.17%
Belimo Holding AG	3.83%	0.71%
Bucher Industries AG	3.73%	1.06%
Bell Food Group AG	3.38%	0.20%
Interroll Holding AG	3.36%	0.40%
Logitech International SA	3.09%	2.43%
CPH Chemie & Papier Holding AG	2.81%	0.07%
Chocoladefabriken Lindt & Spru	2.58%	2.51%
<b>Total Top 15</b>	<b>66.94%</b>	<b>9.85%</b>

### Fund Profile & Key Figures

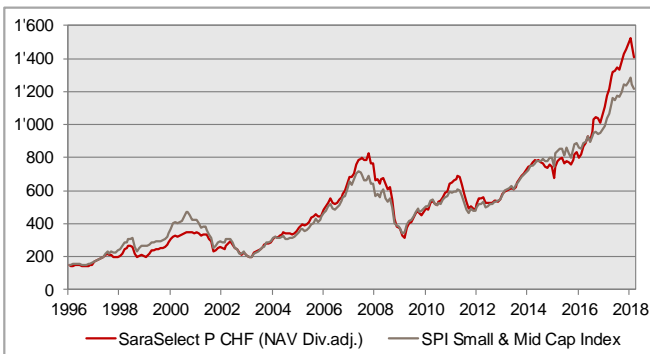
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Stv. Thomas Buri)
Fund Mgmt. Company	J. Safra Sarasin Investmentfonds AG
Custodian	Bank J. Safra Sarasin AG
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
	
Fund Size	CHF 678.3 mn
Net Asset Value per Unit	CHF 1'408.14
Hist. Volatility*	11.11% p.a.
Tracking Error*	6.55% p.a.

\*Time period 3 years, monthly observations

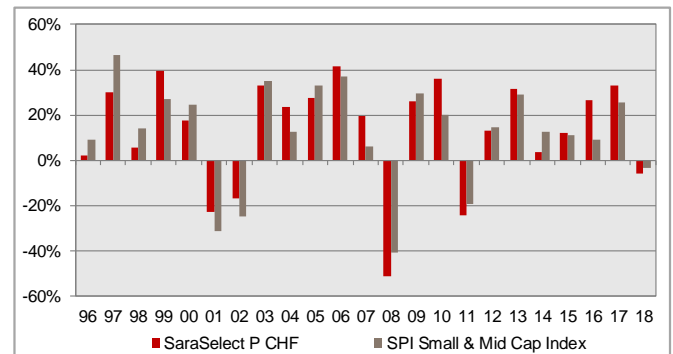
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	-5.58%	-5.26%	19.49%	23.04% p.a.	18.33% p.a.	7.64% p.a.	10.73% p.a.
Index	-3.28%	-2.03%	17.26%	13.49% p.a.	14.90% p.a.	7.60% p.a.	9.99% p.a.

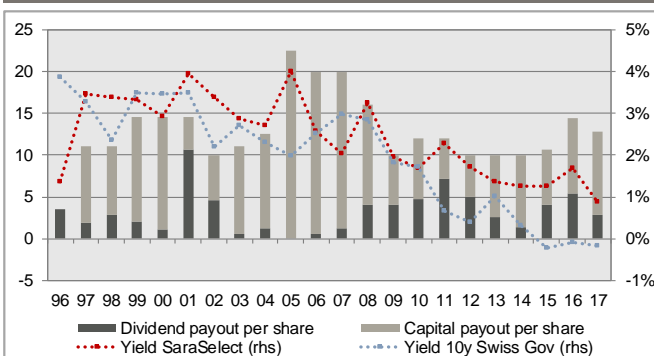
### Cumulative Performance since Inception



### 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
2018	Fund	2.04%	-2.32%	-5.26%										-5.58%
	Index	1.81%	-3.03%	-2.03%										-3.28%
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%	44.59%
	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%	32.07%
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%

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