

all data as of 31.08.2013

### Portfolio & Market Environment

After a solid start into the first half of the month, markets deteriorated during the last week of August because of intensified fears of an intervention of allies in Syria and weakening emerging market currencies and indices. The SMI lost 3% within a few days while small caps managed to keep their early month advances. The SaraSelect fund closed August with a gain of +4.26%, bringing the fund ahead of benchmark by 2.13% ytd.

Our portfolio heavy weights Dätwyler (+7.13%), Belimo (+7.73%), Bossard (+7.10%) and Bachem (+7.45%) contributed positively to the impressive performance. But also Bobst (+11.54%) continued its rise after a solid half year report. The highlight was marked by Komax, which rose 28.65% (see explanation below) after commenting on the decision of the strategic assessment concerning their solar business.

Amongst the few losers were Orascom with -14.09% (we have sold off the entire position) and again Publigroupe (-8.88%), after releasing a disappointing half year report, especially for Media Sales, where it will take years to see the results of the newly implemented strategy of CEO Alain Bandle. A lot of patience will be required here.

Global stock markets have experience a further improvement of sentiment in August. The US economic data is still surprising to the upside accompanied by better global PMI's. Only the last week in August brought back the liquid market segments because of renewed fears of a Syrian intervention erasing all the gains of the previous weeks.

The SMI lost -0.93%, more than the SMIM (30 most liquid mid caps), which managed to close the month in positive territory (+0.57%). The Small Cap Index did resist the uncertainty around political developments in Syria thanks to solid half year reports and surged +2.98%. The long awaited reduction of the valuation premium of liquid stocks against small caps is starting to gain motion. Liquidity driven high valuations exhibit a bigger disappointment potential, as seen in DKSH, where the stock corrected by more than 15%.

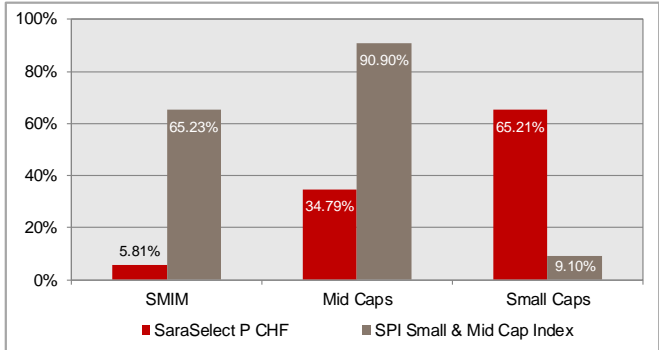
### Noticed...

After the chairman and management of Komax back in March had promised a final announcement of the strategic assessment of their solar division for the half year result conference, the stock had risen in anticipation of a discontinuation. The final news of the surrender led to a real fire work, sending the stock up by almost 30% within only a month and now valuing the company with more than CHF 440mn.

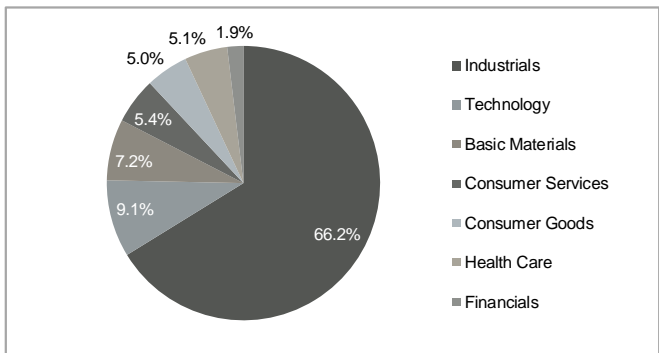
It is impossible to produce a superior performance unless you do something different from the majority.

Sir John Templeton, US investor

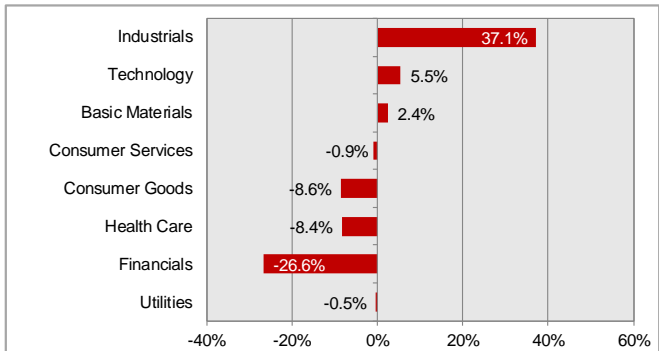
### Segment Allocation



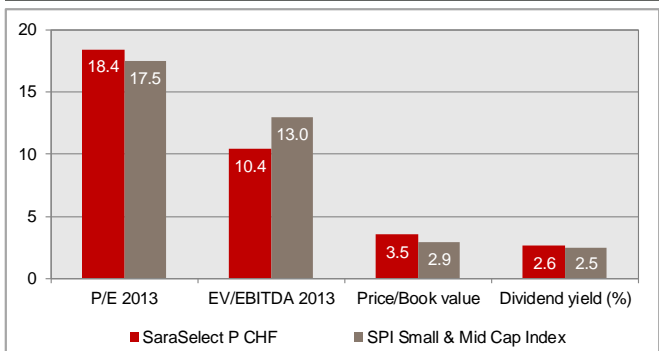
### Industry Allocation



### Industries relative to Benchmark



### Valuation



### Largest Positions

	Fund	Index
LEM Holding SA	8.67%	0.24%
Daetwyler Holding AG	8.04%	0.43%
Bossard Holding AG	6.90%	0.26%
Belimo Holding AG	6.50%	0.65%
Interroll Holding AG	5.55%	0.16%
Phoenix Mecano AG	5.43%	0.20%
Bachem Holding AG	5.21%	0.12%
Bell AG	6.50%	0.65%
Bucher Industries AG	4.61%	0.91%
Kaba Holding AG	4.24%	0.87%
Sika AG	3.91%	3.30%
CPH Chemie & Papier Holding AG	3.87%	0.10%
Huber & Suhner AG	3.75%	0.39%
ALSO Holding AG	3.21%	0.07%
Bobst Group AG	3.20%	0.15%
<b>Total Top 15</b>	<b>78.07%</b>	<b>8.02%</b>

### Fund Profile & Key Figures

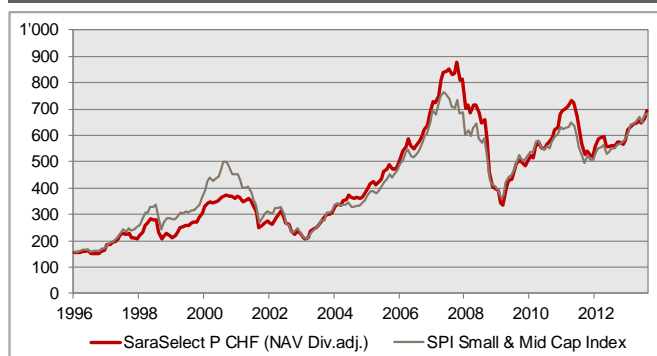
Asset Manager	VV Vermögensverwaltung AG
	Marc Possa (Dep. Peter Lehner)
Fund Mgmt Company	Sarasin Investmentfonds Ltd
Custodian Bank	Bank J. Safra Sarasin Ltd
Swiss Security No.	123406
ISIN	CH0001234068
Launch	01.02.1996
Management Fee	1.50% p.a.
Investment Style	Bottom-up Stock Picking
Benchmark (Index)	SPI Small & Mid Caps (SPISMC)
Fund Size	CHF 586.2mn
Net Asset Value per Unit	CHF 692.91
Hist. Volatility*	14.21% p.a.
Tracking Error*	6.07% p.a.

\*Time period 3 years, monthly observation

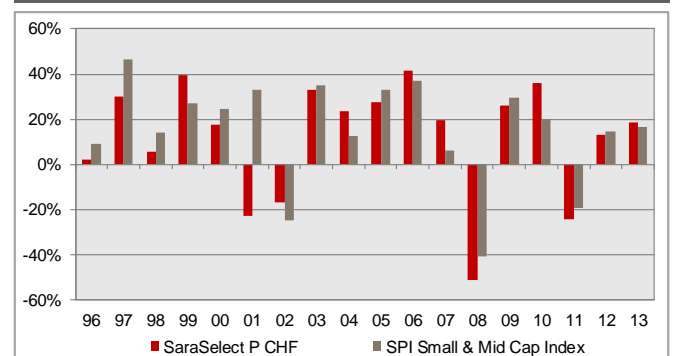
### Performance Overview

	YTD	1 Month	1 Year	3 Years	5 Years	10 Years	since Launch
Fund	18.66%	4.26%	24.27%	6.53% p.a.	1.00% p.a.	9.70% p.a.	8.84% p.a.
Index	16.53%	0.97%	23.26%	7.30% p.a.	2.99% p.a.	9.34% p.a.	8.71% p.a.

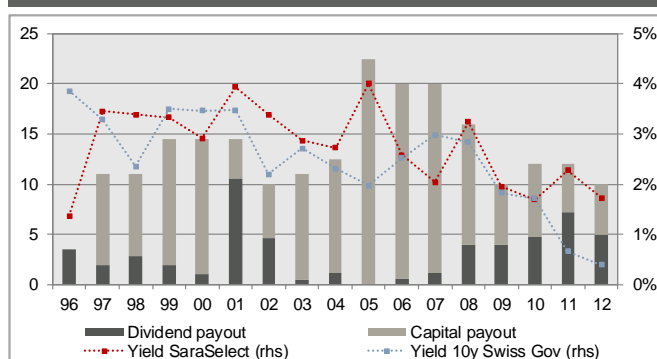
### Cumulative Performance since Inception



### Yearly Performance since Inception



### Distribution



Year	Dividend	Capital Gain*	Total
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
2004	1.20	11.30	12.50
2003	0.50	10.50	11.00

\*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
2013	Fund	6.21%	2.56%	1.10%	0.51%	1.32%	-1.09%	2.60%	4.26%					18.66%
	Index	4.68%	4.38%	0.90%	1.35%	2.36%	-3.21%	4.25%	0.97%					16.53%
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%	-8.06%	-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%
2009	Fund	-2.24%	-11.31%	-2.41%	18.43%	7.13%	1.61%	6.81%	6.58%	2.73%	-2.06%	-2.88%	3.79%	25.93%
	Index	-2.89%	-8.32%	2.74%	14.33%	5.06%	1.12%	5.46%	5.56%	4.62%	-3.81%	0.50%	3.65%	29.65%
2008	Fund	-13.58%	1.38%	-4.04%	4.33%	0.30%	-4.40%	-5.68%	2.15%	-11.75%	-21.34%	-11.41%	-1.79%	-51.05%
	Index	-11.98%	2.51%	-3.30%	4.63%	2.86%	-8.54%	-3.16%	3.09%	-9.44%	-19.26%	-3.82%	-1.98%	-40.89%