

HÉRENS QUALITY ASSET MANAGEMENT

Pioneer for Systematic Quality Investments

In-Depth Analysis of Corporate Quality Distributions and
Characteristics

May 2019

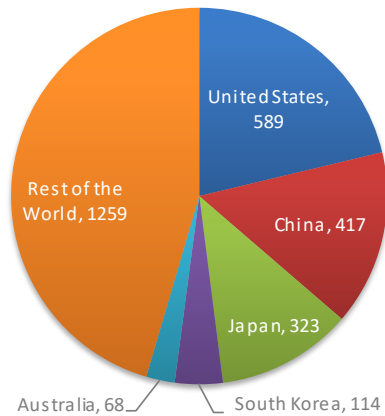


Corporate Excellence Award Analysis 2019



World Winner

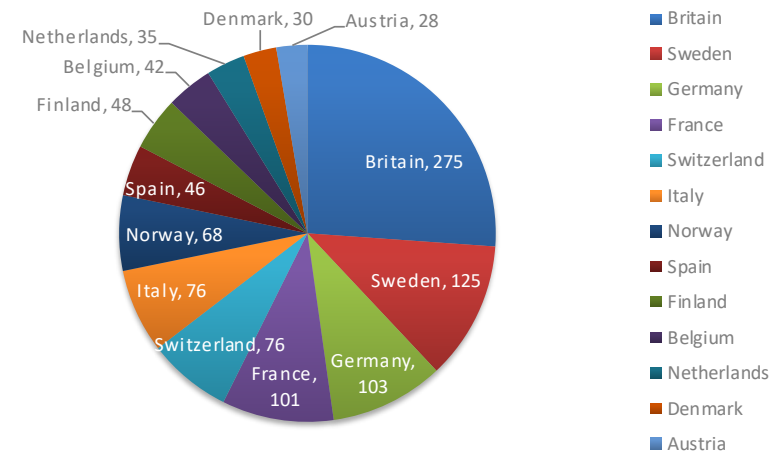
MSCI ACWI Index
(2770 companies)



- World Winner
- USA, Australia, Japan, South Korea and China Winner

European Winner

13 Stoxx European country indices
(1053 companies)



- European Winner
- Single country winner in Europe

Sources: Hérens Quality Asset Management, MSCI, Stoxx, Thomson Reuters

Analytical Background and Disclaimer



Analysis of the Winners:

- In-depth Analysis of Winners;
- Detailed Data and Quality check by Hérens Quality Asset Management and the Jury.

Analysis of the Top 100/Worst 100 and Worst exc. Financials:

- Structural Quantitative Information;
- No in-depth Analysis by Hérens Quality Asset Management and the Jury.



Table of Contents



<i>Executive Summary</i>	6
1. Global Quality Winners and Overview	
1.1. Excellence Award World Winner.....	12
1.2. Quality Tectonics.....	20
2. Structural Information on Global Quality TOP 100, Worst 100 and Worst exc. Financials 100	
2.1. Distribution by Country.....	22
2.2. Distribution by Sector.....	25
2.3. Distribution by Style.....	28
2.4. Distribution by Size.....	29
3. European Quality Winners and Overview	
3.1. Excellence Award Europe Quality Winners.....	31
4. Structural Information on Europe Quality Winners	
4.1. Ranking of Quality Winners.....	48
4.2. Quality Consistency.....	49
4.3. CSR.....	50
4.4. Business Model and Industry Group.....	51

Table of Contents



4.5. Regulatory Environment.....	52
4.6. Growth Quality.....	53
4.7. Management Quality.....	54
4.8. Ownership Structure.....	55
4.9. Risk Metrics.....	56
4.10. Valuation Comparison.....	57
4.11. ESG Comparison.....	60
4.12. Market Position.....	61
5. About Hérens Quality Asset Management.....	63

Executive Summary: List of Excellence Award Winners 2019 (1)



Top European

AUSTRIA

BELGIUM

BRITAIN

DENMARK

FINLAND

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

Top World

TOP USA

TOP Australia*

TOP Japan

TOP South Korea

TOP China

NEW

NEW

NEW

NEW

NEW

NEW

NEW

2019

Rational AG

Österreichische Post AG

Melexis NV

Victrex Plc

Novo Nordisk A/S

Nokian Renkaat OYJ

Hermes International SA

Rational AG

Moncler SpA

ASML NV

Salmar ASA

Zardoya Otis SA

BioGaia AB

Partners Group AG

SEI Investments Co

SEI Investments Co

Cochlear Ltd

Pigeon Corp

Naver Corp

Anta Sports Products Ltd

2018

Rational AG

Österreichische Post AG

Melexis NV

Victrex Plc

Novo Nordisk A/S

Kone OYJ

Hermes International SA

Rational AG

DiaSorin SpA

Euronext NV

Borregaard ASA

Zardoya Otis SA

BioGaia AB

Partners Group AG

Infosys Ltd

SEI Investments Co

Keyence Corp

Naver Corp

Anta Sports Products Ltd

*Starting from 2019 Australia is included in Winners list

Executive Summary (2)



Global and European Quality Winners 2019

- The Winners of Quality Excellence Award 2019 share following characteristics:
 - 1) focused business models,
 - 2) mostly family-owned,
 - 3) run by CEOs with relevant education and/or experience and by large long tenures,
 - 4) predominantly favor organic growth,
 - 5) address Corporate Social Responsibility issues,
 - 6) have better CO₂ Emission score than market.

Global Quality TOP 100

- Countries: The highest number of Quality companies are domiciled in USA, Japan and Emerging Markets (China, India and Taiwan);
- Sectors: Most of the Quality companies come from Information Technology, Health Care and Consumer Discretionary sectors;
- Size and Style: The vast majority of Quality companies have characteristics of Growth Companies, while Size-wise they are almost evenly split between Small and Large Cap.

Executive Summary (3)



Global Worst 100

- Countries: The highest number of companies are domiciled in USA, China and Taiwan. In terms of dynamics, number of non-quality companies coming from South Korea, Taiwan and Japan has been lower this year, while their number grew in USA, China and Hong Kong;
- Sectors: Most of the companies come from the Financials, Industrials and Utilities. Although the number of Financial companies in the Worst 100 list is lower this year (46 vs 50 in 2018), they nevertheless account for almost half of the composition;
- Size and Style: The vast majority of companies are classified as Small Cap Value;
- As Financial companies have demonstrated rather weak earnings growth, average negative dynamics in annual EPS growth of Worst 100 is significantly lower when this sector is excluded;
- Worst 100 and Worst 100 excl. Financials had weaker fundamentals, higher Debt/Equity ratio, significantly lower ROE as well as Assets/Equity ratio if compared with Excellence Award Winners, Quality TOP 100 companies and MSCI World All Country index.

Excellence Award 2019 major changes vs. last year:

- In Global Quality Top 100, China & Japan continue to improve their position (number of quality companies), while position of United States and Taiwan has somewhat deteriorated. In Global Worst 100 excl. Financials, there was a spike of companies originating from China;
- Long time Global Winner Infosys Ltd has lost its first place in 2019. For the first time in history of Excellence Award, a Financial company from USA (SEI Investments) became the Global Winner. Additionally, geographic reach of the Award was expanded with Australia being added to the Winner's list for the first time and represented by Health Care company Cochlear;
- Finland (Nokian Renkaat OYJ), Italy (Moncler SpA) and Japan (Pigeon Corp) have also seen Winners change in their respective countries and none of them had prior history in the Winner's List;
- Share of Small Cap companies among Global Quality Top 100 decreased and now Quality Top 100 companies have 56%/44% split between Large/Small Cap.

Executive Summary (4)



Major Trends of the Excellence Award 2019 (trend over years):

- Among 2019 Winners, Consumer Discretionary and Consumer Staples have improved their position, while Industrial companies have lost their ground;
- When looking into Countries, there was a considerable improvement among Chinese companies (in terms of total number). However, the number of Chinese companies in Worst 100 and Worst 100 excl. Financials has also seen a significant increase;
- Majority of European Quality Winners have ownership structures that are not dominated by government, except Österreichische Post AG.

Terminology



- **QualityTop 100** – the 100 highest ranked companies based on quantitative Quality criteria in Index.
- **Worst 100** – the 100 lowest ranked companies based on quantitative Quality criteria in Index.
- **Worst 100 excl Financials** – the 100 lowest ranked companies excluding Financials based on quantitative Quality criteria in Index.
- **Quality Winner / Excellence Award winner** – the top ranked company based on qualitative and quantitative Quality criteria from each representative region.
- **Distribution**: If not specified, then distribution is calculated by dividing the number of companies meeting a certain criteria by the overall number of companies.

Excellence Award Worldwide Winners and Winners of
Key Regions (USA, Australia, Japan, Asia and Europe)



Winners of the Excellence Award Global and in Europe 2019



	REGION	WINNER
	World	SEI Investments Co
	Europe	Rational AG
<hr/>		
	USA	SEI Investments Co
	Australia	Cochlear Ltd
	Japan	Pigeon Corp
	South Korea	Naver Corp
	China	Anta Sports Products Ltd

Worldwide Winner and Winner in USA – SEI Investments



Executive Summary

- SEI Investments Co. – founded in 1968 – is headquartered in Oaks, PA. This asset management company is a leading provider of wealth management business solutions in the financial services industry. The company offers investment processing, management and operations solutions globally. SEI manages or administers \$883.9bn in mutual fund and pooled or separately managed assets, including \$307.3bn in assets under management and \$575.5bn in client assets under administration.
- Company's five business segments are organized around its target markets: Private Banks (constituting 30% of revenues in 2018), Investment Advisors (24%), U.S. Institutional Investors (20%), Investment Managers (25%) and Investments in New Businesses (1%).

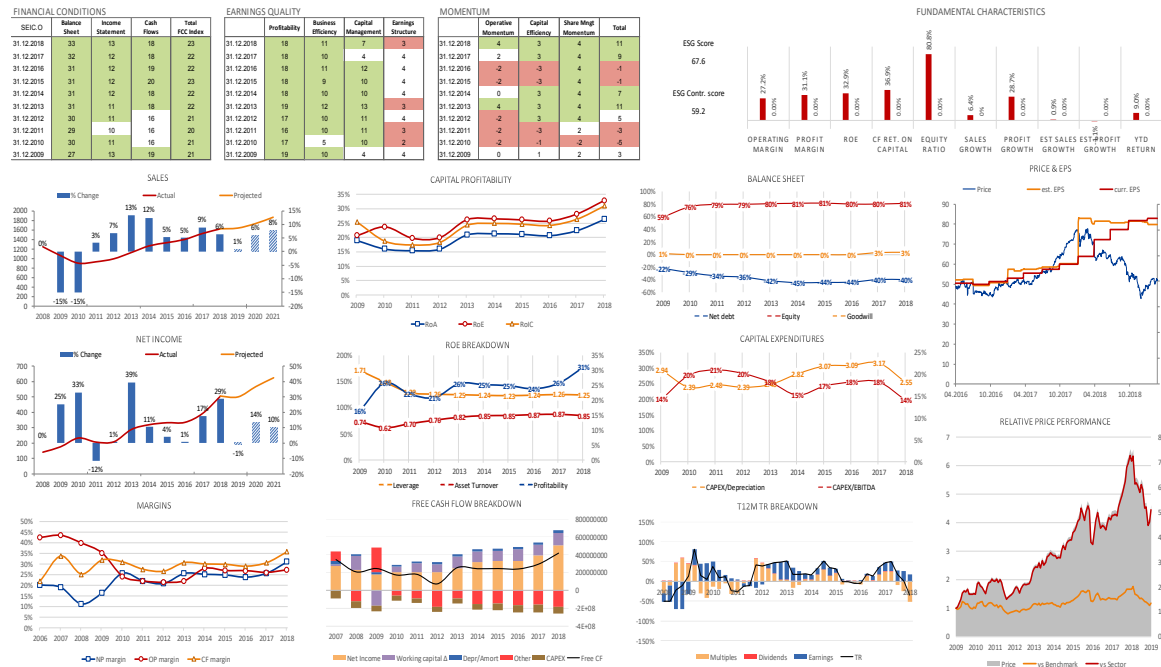
Milestones of Excellence

- SEI has a solid track record for holding the leading position in providing wealth management business solutions globally. SEI adopts a business model that generates recurring revenue and positive cash flows. Predictable cash flows serve as a source of funds for continuing operations, investments in new products, common stock repurchases and dividend payments.
- The company registered a rising trend in its total AUM over the last three years (2016-2018) at a CAGR of 8.5%, amid tough asset gathering backdrop in the back half of 2018. SEI Investments' partnership interest in LSV Asset Management has been significantly supporting its bottom line. The contribution of LSV to the company's pre-tax income remained more than 25% in the last few years.
- Technology is the backbone of SEI Investments' businesses. In 2015, SEI began the official launch of the SEI Wealth Platform and expects to convert larger, more sophisticated advisors onto the Platform in 2016 and beyond. Contracts with SEI Wealth Platform clients have initial terms that are generally five to seven years in length. The capabilities of the Platform will expand SEI's service offerings to include large global financial institutions, investment advisors, and other similar institutions.

Sources: Hérens Quality Asset Management, Thomson Reuters

SEI Investments Co

Date of downloading: 25.03.2019 Next Earning Release 23.04.2019



Winner in Australia – Cochlear Ltd



Executive Summary

- Cochlear is a global leader in the research and development, manufacture and marketing of implantable hearing solutions.
- Company's products include hearing systems for cochlear implants, bone conduction implants and acoustic implants, which are designed to treat a range of moderate to profound types of hearing loss.
- Cochlear's global headquarters are in Sydney, Australia, with regional headquarters in Asia Pacific, Europe and the Americas. It has a broad geographical reach, selling in over 100 countries, with a direct presence in over 30 countries and a global workforce of over 3,500 employees.

Milestones of Excellence

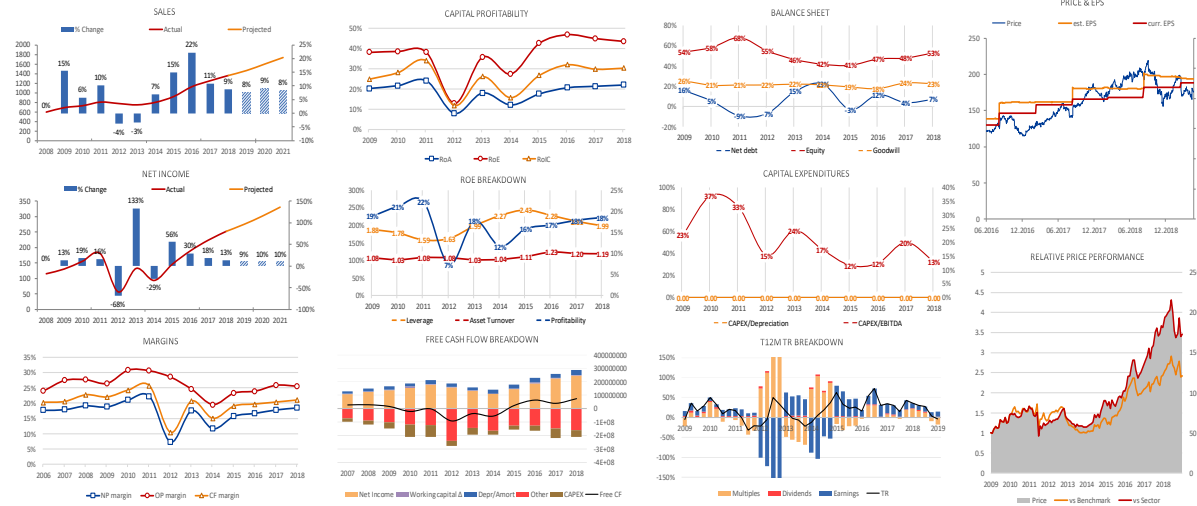
- Cochlear holds a 60% share in the global cochlear implants market and is especially strong in pediatrics, while from a fundamental perspective, company is generating higher ROE and higher profit margins as compared to its peers.
- In 2018, company released the world's first made-for-iPhone cochlear implant sound processor. It is suitable for children and adults who have severe to profound hearing loss. With the Nucleus 7 Sound Processor, people with a Cochlear Nucleus Implant can stream sound directly from a compatible iPhone, iPad and iPod touch to their sound processor.
- Revenue growth in the 1H2019 was driven by the strong uptake of the Nucleus 7 Sound Processor and it is expected to remain key growth driver going forward.
- Cochlear is also expanding its reach by making a strategic acquisitions, e.g. in 2017 company acquired Sycle, one of the world's largest providers of audiology practice management software with an estimated 70% market share in US. This would help company to achieve further market penetration and raise awareness of the Cochlear's brand in audiology practices. Despite M&A's, balance sheet quality of the company remains robust and it is less financially burdened than its main peers (based on debt to equity ratio).

Cochlear Ltd

FINANCIAL CONDITIONS				EARNINGS QUALITY				MOMENTUM				
COND.AX	Balance Sheet	Income Statement	Cash Flows	Total FCC Index	Profitability	Business Efficiency	Capital Management	Earnings Structure	Operative Momentum	Capital Efficiency	Share Mgt Momentum	Total
30.06.2018	25	10	18	19	20	10	9	4	2	1	1	4
30.06.2017	23	10	20	19	20	11	9	4	4	-1	3	6
30.06.2016	23	9	18	18	20	12	9	3	4	3	-1	6
30.06.2015	28	9	18	20	20	11	12	4	4	3	3	10
30.06.2014	20	9	15	18	19	12	8	4	2	-3	1	4
30.06.2013	20	9	12	15	18	7	4	3	0	3	-3	0
30.06.2012	24	6	19	18	11	5	13	4	-4	-3	-1	-4
30.06.2011	29	12	17	21	11	11	14	4	2	1	3	6
30.06.2010	24	11	19	19	19	12	9	4	4	3	1	8
30.06.2009	26	19	20	20	18	13	11	4	-2	1	3	2

Date of downloading: 26.04.2019

Next Earning Release NULL



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Japan – Pigeon Corp



Executive Summary

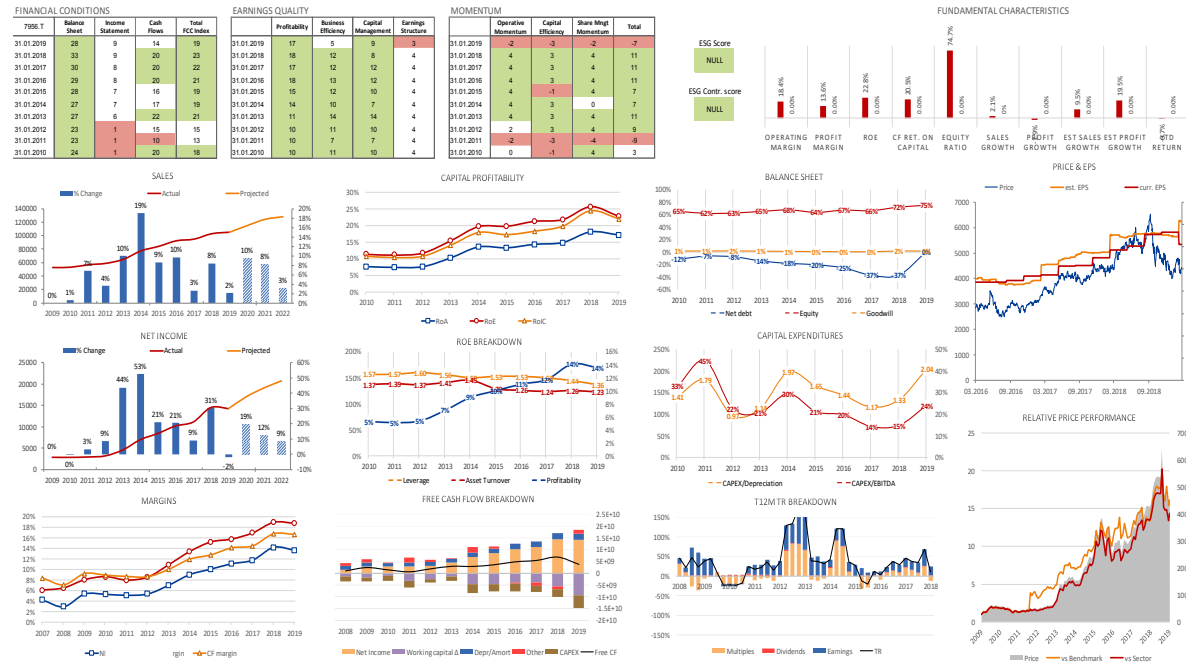
- Pigeon Corp. is a Japan-based provider of baby and child care products and services. The company manufactures and sells breastfeeding related products, weaning related products, maternity items, women care products, home healthcare products and nursing care products and its main clients are baby goods retailers, major drugstore chains, care facilities, hospitals, as well as third-party e-commerce sites (e.g. Amazon.co.jp.).
- Company makes most of its products in house, the remaining products are sourced from over 100 partner manufacturers. It operates through the following business segments: Domestic Baby & Mother Care (~33% of sales), China (~33%), Lansinoh (~12%), Singapore (~11%), Health & Elder Care (~6%), Child Care Service (4%) and Other (~1%). Pigeon Corp. operates across the Middle East, Asia-Pacific, Americas, Europe and Africa, and it is market leader in Japan for baby care products centered on breastfeeding

Milestones of Excellence

- Pigeon's strengths center on its strong brand and trustworthiness, overwhelming share in a niche market and growth potential overseas. Its products enjoy exceptional support of its Japanese consumers and, as a result, company holds a leading position in its domestic market through various products e.g. nursing bottles (79%), breast pads (71%), manual breast pumps (62%) and others. The strong brand allows the company to maintain premium pricing and avoid discounting. It helps to perpetuate the brand image and also contributes to high profitability.
- Pigeon's brand Lansinoh (bought in the 2004) enjoys leading shares in US and Europe (mainly UK and Germany) for nipple care cream (75% US, 71% EU), breast pads (55% US, 43% EU), breast milk storage bags (44% US, 40% EU), while in North America as a whole, with a market share of only 2%, the company sees substantial growth potential for Lansinoh electric breast pumps in the longer term.
- From a fundamental perspective, company is generating higher ROE and higher profit margins compared to peers median, also it has lower debt to equity ratio than peers

Sources: Hérens Quality Asset Management , Thomson Reuters

Pigeon Corp



©2018 CE Services GmbH

Winner in South Korea – Naver Corp



Executive Summary

- Naver Corp is Korea's leading Internet company, operating the largest Internet portal in the country, through which it provides web portal services, such as search, online gaming, email, maps, online shopping. Naver dominates the Korean search market, having 80% market share in the country.
- The Group also owns and operates subsidiary LINE, a mobile messenger platform, which has over 217 million monthly active users in the world, particularly around Japan, Thailand, Taiwan and Indonesia.
- Using its understanding of the Korean market and the preferences of Korean consumers, Naver's proprietary search engine at www.naver.com has become an established brand that is highly valued and well recognized by domestic internet users and is the fifth most used search engine in the world, following Google search, Yahoo!, Baidu and Bing.

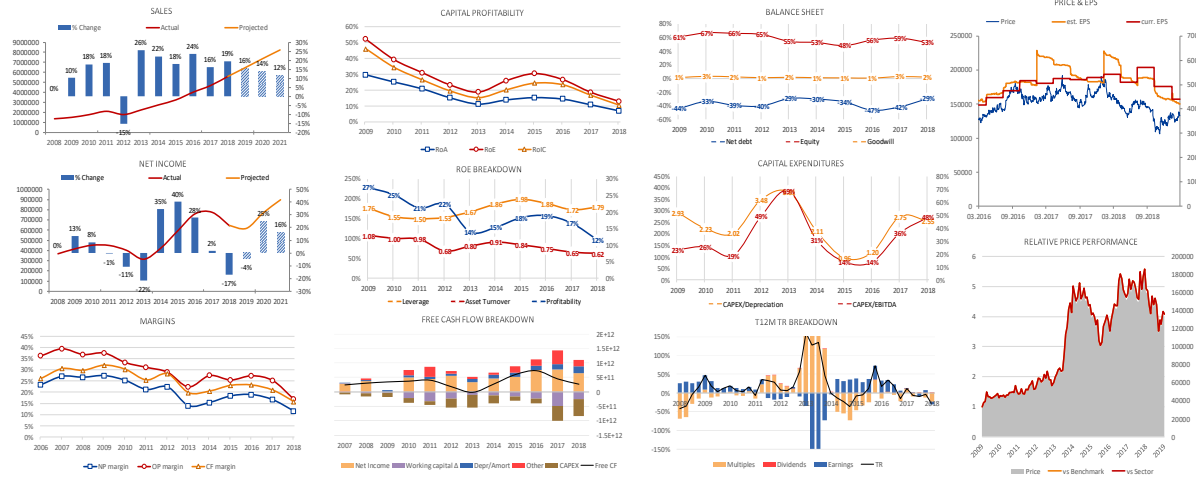
Milestones of Excellence

- Naver Corp is the stable long-term market leader in South Korea, with the closest competitors in the market – Daum with ~20% market share and Google with only ~2% – showing no signs of posing a threat in the foreseeable future. The company has built its algorithms specific to the Korean language, resulting in more relevant content than international competitors.
- Company has developed products and services that complement their search business (e.g. Naver Pay, Naver Shopping) and have established the company as the centre of Korean internet. Naver's business also depend on the Korean e-commerce market development, which is currently a tailwind. The growth rate in 2018 of e-commerce market in Korea was 21.2%, while in 2019-2020 it is also expected to growth by ca. 20%.
- In Japan, LINE platform, conducting the leading market share, serves not only as a messaging application, but also has many of the features that make it a full-fledged social networking platform.
- Company's main focus through the years has been innovations in search technologies and satisfaction level with search service, as a result advertising sales have maintained a robust growth every year.

Sources: Hérens Quality Asset Management , Thomson Reuters

Naver Corp

FINANCIAL CONDITIONS				EARNINGS QUALITY				MOMENTUM				
035420 KES	Balance Sheet	Income Statement	Cash Flows	Total FCC Index	Profitability	Business Efficiency	Capital Management	Earnings Structure	Operation Momentum	Capital Efficiency	Share Mgt Momentum	Total
31.12.2018	20	5	14	17	12	5	5	4	-2	-3	-2	-7
31.12.2017	20	7	14	18	13	7	4	-2	-3	-3	-8	
31.12.2016	20	10	20	22	19	13	11	4	4	-3	4	5
31.12.2015	20	10	17	21	19	8	8	4	2	3	4	9
31.12.2014	20	9	19	21	19	12	8	4	4	3	4	11
31.12.2013	20	8	16	19	18	6	10	4	-2	-3	-4	-9
31.12.2012	30	12	17	21	17	10	7	4	0	-3	0	-3
31.12.2011	30	12	16	21	18	6	10	3	-2	-3	-2	-7
31.12.2010	32	13	18	23	18	8	8	4	-2	-3	0	-5
31.12.2009	32	14	20	24	19	11	8	4	4	-1	4	7



©2018 CE Services GmbH

Winner in China – Anta Sports Products



Executive Summary

- ANTA Sports is the leading domestic sportswear company and the third largest sportswear company overall (behind Nike and Adidas) in mainland China. It produces and distributes products under a number brands: ANTA (Sports, Lifestyle and Kids brands), FILA (and FILA Kids), Kingkow, Kolon Sports, Sprandi and Descente. The group has over 11,000 stores (Anta brand is sold in 10057 stores in China) and has established an extensive distribution network with a leading presence in second- and third-tier cities in China under the management of regional distributors.

- ANTA's core brand is positioned to focus on the mass market in 2nd, 3rd and lower tier cities, while its other brands like FILA (high-end sports fashion), Descente (high-end performance), Kolon Sports (mid-end outdoor) and others give them exposure to various segments in the sportswear market.

Milestones of Excellence

- ANTA's differentiated value-for-money products across its stable of brands enables the company to capitalize on growth across the price spectrum. Despite its mass market focus, the ANTA brand is also recognized for its better product quality and expertise in functional sportswear compared to other domestic brands such as Xtep and 361 Degrees (utilizing same suppliers as Nike, Adidas, Puma, etc.), and its pricing is not significantly higher. Anta's pricing is 10-30% lower than that of Li-Ning – its main domestic competitor – and only half the price of international brands for products with similar functionality and quality. Anta Sports stays focused on the mass market positioning, but also increases its presence in high-end segment by pursuing multibrand and omnichannel strategy.

- Looking at the future, there is ample room for growth. The company continues to expand its online and offline presence (expected to open more than 100 stores in 2019, particularly in shopping malls). Additionally to its core brand, the company plans to strategically expand its Kids sportswear series, and FILA, Descente and Kolon Sports businesses. Acquisition of Finnish sportswear company Amer with brands like Wilson, Salomon, Atomic etc. should give additional boost to sales and add to competitive edge in winter sports and outdoor brands, where the company was weakly represented.

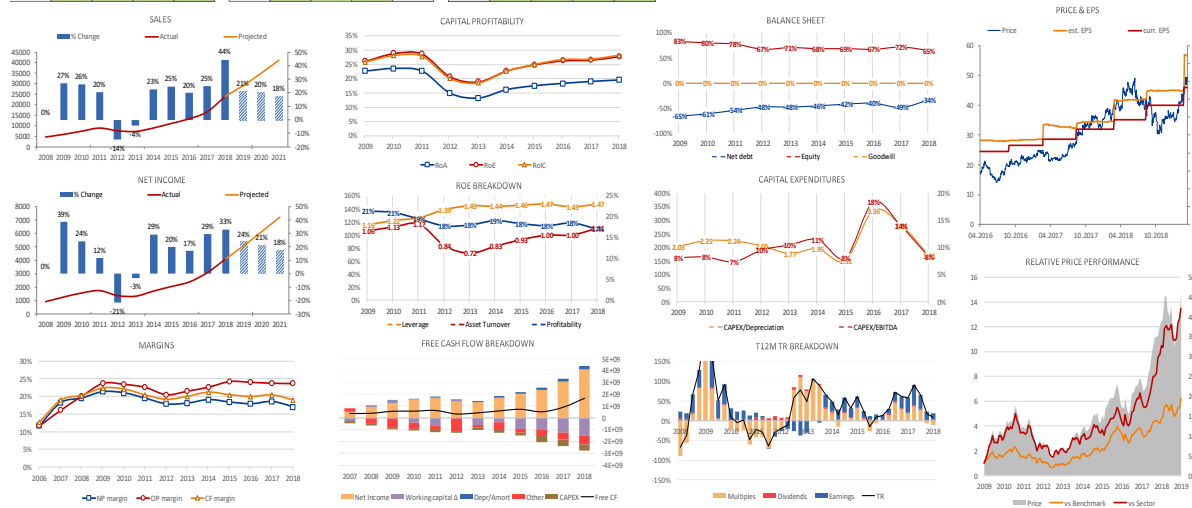
Sources: Hérens Quality Asset Management, Thomson Reuters

© 2019 Hérens Quality Asset Management AG

ANTA Sports Products Ltd

FINANCIAL CONDITIONS					EARNINGS QUALITY					MOMENTUM				
2020 HK	Balance Sheet	Income Statement	Cash Flows	Total FCF Index	Profitability	Business Efficiency	Capital Management	Earnings Structure	Operative Momentum	Capital Efficiency	Share Mgmt Momentum	Total		
31.12.2018	31	9	16	21	19	11	8	4	-2	3	4	5		
31.12.2017	32	9	17	21	18	9	5	4	2	3	4	9		
31.12.2016	30	9	15	20	19	11	7	4	-2	3	4	5		
31.12.2015	32	9	15	20	19	10	8	3	0	3	4	7		
31.12.2014	30	10	12	19	18	13	10	3	4	3	4	11		
31.12.2013	28	8	13	18	16	6	5	3	2	-3	-4	-5		
31.12.2012	29	10	15	20	17	10	8	4	4	-3	2	-6		
31.12.2011	32	10	14	20	18	6	9	3	2	-3	2	-3		
31.12.2010	32	11	18	22	18	6	9	3	2	3	2	-1		
31.12.2009	32	12	18	22	17	12	12	4	4	3	4	11		

Date of downloading: 18.03.2019 Next Earning Release: NULL



©2018 CE Services GmbH

Winner in Europe (and Germany) – Rational AG



Executive Summary

- Rational AG is a Germany-based global developer, producer and supplier of products for industrial and commercial kitchens worldwide. The Company's core competence is to provide units for heating and cooking all types of food. The Company's products include the SelfCooking Center (92% of sales), an all-in-one appliance that is able to deal with almost all main cooking processes (baking, roasting, grilling, steaming, braising, blanching and poaching) and VarioCooking Center (8% of sales), which, with help of automatic control, cooks in liquids or in direct contact with heat, up to four times faster than comparable products. Rational is the world market and technology leader for the thermal preparation of food in professional kitchens.
- Customers of Rational include professionals from many niches: restaurants, hotels, company canteens, hospitals, schools, universities, military facilities, prisons, retirement homes, fast-food chains, caterers, supermarkets, bakeries and snack outlets. Rational AG operates worldwide through independent distribution partners as well as numerous subsidiaries located in Europe, the Americas and Asia. Rational AG makes 45% of sales outside Germany in other European countries, 24% in the Americas and 14% in Asia.

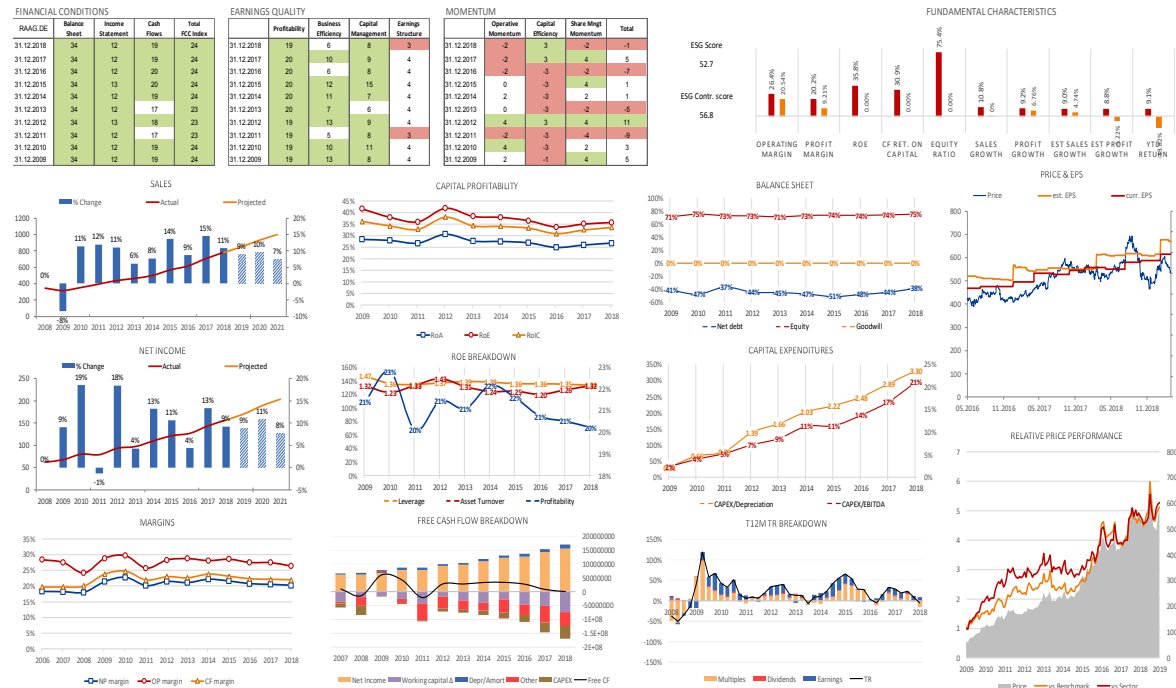
Milestones of Excellence

- It holds a leading position by far in terms of market position and technology in the field of hot food preparation in professional kitchens - it holds a world market share of more than 50%.
- Company's products are market leaders in terms of technology and applications, even though prices are similar to those of competitors (e.g. SelfCookingCentre® whiteefficiency®, VarioCookingCenter® multificiency®).
- Competitive advantages results in high profitability -net profit margin above 20%. Company has excellent financial conditions with sound balance sheet, liquid funds represents 45% of assets, no net debt, cash from operations fully cover financial liabilities.
- Rational AG has well-structured regional diversification, covering key regions of the world.

Sources: Hérens Quality Asset Management , Thomson Reuters

Rational AG

Date of downloading: 29.03.2019 Next Earning Release 07.05.2019



Quality Tectonics



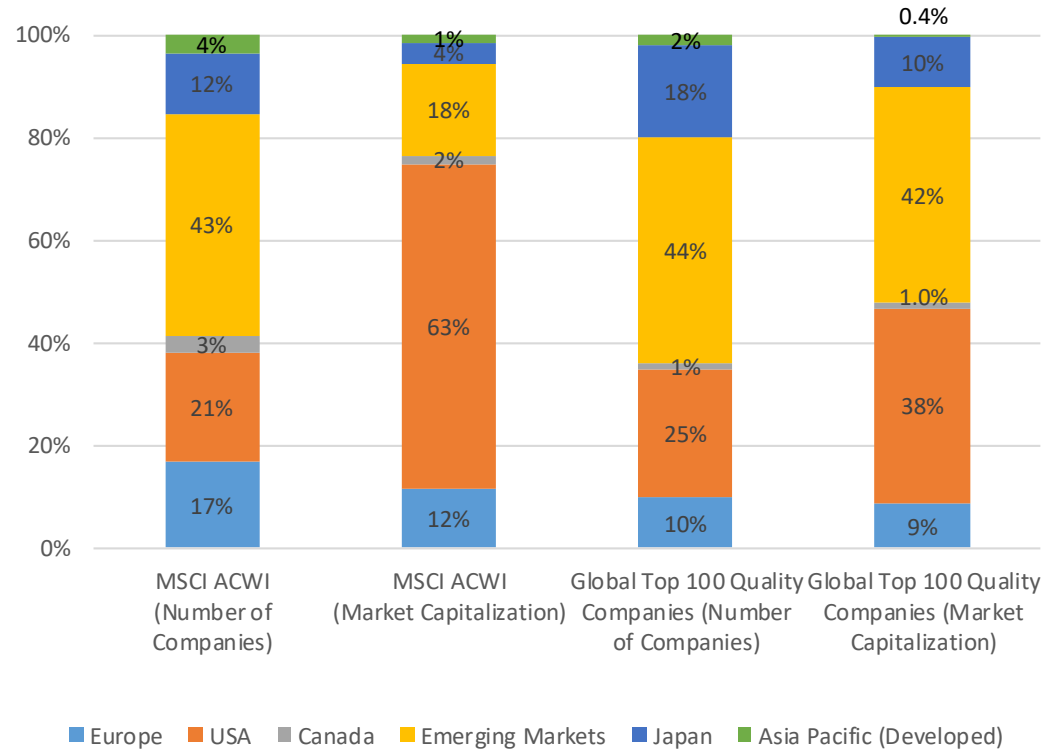
Global Quality TOP 100 Worldwide – Companies Mostly from Emerging Markets and USA



MSCI

S

MSCI All Country World Index Distribution / Global Top 100 Quality Companies



Majority of companies (number wise) both in MSCI All Country World Index and Global Quality TOP 100 were from Emerging Markets. However, if classified by Market Capitalization, then companies from the United States account for the largest share of MSCI All Country World Index and Global Quality TOP 100.

Structural Information on Global TOP 100, Worst 100
and Worst excl. Financials 100



Global Quality *TOP 100* – United States, China, Japan and Taiwan were countries with the largest number of Quality Companies



Distribution of Global *TOP 100* Quality Companies vs. MSCI All Country World Index by Country 2019 (by Number of Companies)

	2019	2018	2017	2016	2015	2014	2013	Country's % in MSCI ACWI in 2019
United States	25	27	26	27	35	31	32	21.3%
China	23	10	9	11	9	9	8	15.1%
Japan	18	16	10	7	5	8	7	11.7%
Taiwan	5	8	9	8	8	6	6	3.1%
India	4	4	9	11	9	8	8	2.8%
Indonesia	3	3	6	6	7	11	10	1.0%
Britain	3	3	2	1	0	0	0	3.6%
Denmark	3	2	2	2	3	2	2	0.6%
Switzerland	2	3	4	3	4	3	3	1.6%
Brazil	2	3	4	3	3	3	3	1.9%
South Africa	2	2	3	3	5	5	5	1.7%
Thailand	2	2	2	2	1	1	1	1.3%
Singapore	2	2	1	1	1	1	1	0.9%
Malaysia	2	1	0	1	0	1	1	1.6%
Canada	1	2	2	1	1	1	1	3.4%
Israel	1	1	2	2	0	0	0	0.4%
Finland	1	1	1	1	1	1	1	0.5%
Mexico	1	0	0	0	0	1	1	1.0%
South Korea	0	3	2	1	0	1	2	4.1%
Pakistan	0	2	0	0	0	0	0	0.1%
Spain	0	1	2	2	2	2	2	0.8%
Hong Kong	0	1	1	1	1	3	4	3.3%
Sweden	0	1	1	1	1	1	1	1.1%
New Zealand	0	1	0	0	0	0	0	0.3%
Italy	0	1	0	0	0	0	0	0.7%
Germany	0	0	1	1	1	1	1	2.2%
France	0	0	1	2	1	0	0	2.7%
Poland	0	0	0	0	1	0	0	0.7%
Australia	0	0	0	2	1	0	0	2.5%
Total	100	100	100	100	100	100	100	91.9%

United States, China, Japan and Taiwan represent countries with the largest number of Quality companies in the MSCI All Country World Index. China and Japan managed to improve their positions in the Quality Top 100 from 2018 to 2019, while number of companies represented by United States and Taiwan declined in TOP 100. Around 91.9% of countries from MSCI ACWI index were represented in Global TOP 100.

Global Worst 100 (with Financials) – United States, China and Taiwan were countries with the largest number of Worst 100 Companies



Distribution of Global Worst 100 Quality Companies vs. MSCI All Country World Index by Country 2019 (by Number of Companies)

	2019	2018	2017	2016	2015	2014	Country's % in MSCI ACWI in 2019
United States	20	14	18	16	16	13	21.3%
China	17	3	1	3	2	2	15.1%
Taiwan	7	9	5	2	4	2	3.1%
Britain	7	8	6	6	6	5	3.6%
Brazil	7	7	4	3	2	0	1.9%
South Korea	6	14	12	8	14	13	4.1%
Hong Kong	6	2	1	1	1	1	3.3%
Japan	4	6	9	22	23	26	11.7%
Spain	4	2	3	3	2	2	0.8%
Canada	4	2	2	2	1	1	3.4%
France	3	7	6	6	7	5	2.7%
Germany	3	4	6	5	3	5	2.2%
Australia	3	2	3	2	1	1	2.5%
Switzerland	1	3	3	2	1	2	1.6%
Netherlands	1	3	1	1	1	2	0.8%
Chile	1	2	1	1	0	0	0.6%
Malaysia	1	2	0	1	1	0	1.6%
India	1	0	3	2	1	4	2.8%
Denmark	1	0	1	1	0	1	0.6%
Israel	1	0	0	0	1	0	0.4%
South Africa	1	0	0	0	0	2	1.7%
Singapore	1	0	0	0	0	0	0.9%
Greece	0	3	0	0	0	0	0.2%
Italy	0	2	4	7	6	7	0.7%
Austria	0	1	3	1	2	1	0.2%
Ireland	0	1	2	0	1	1	0.9%
Mexico	0	1	1	1	1	0	1.0%
Turkey	0	1	1	0	0	0	0.6%
Thailand	0	1	1	1	0	1	1.3%
Qatar	0	0	1	0	0	0	0.4%
Belgium	0	0	1	0	1	1	0.4%
Russia	0	0	1	1	1	0	0.8%
Portugal	0	0	0	1	1	1	0.1%
Sweden	0	0	0	1	0	0	1.1%
Egypt	0	0	0	0	0	1	0.1%
TOTAL	100	100	100	100	100	100	94.4%

United States, China and Taiwan were countries with the largest number of Worst companies in the MSCI All Country World Index. Taiwan, Britain and South Korea managed to reduce the number of companies in the Worst 100 from 2018 to 2019, while number of companies from United States and China in Worst 100 list increased. Around 94.4% of countries from MSCI ACWI index were represented in Worst 100.

Sources: Hérens Quality Asset Management, Thomson Reuters

Global Worst 100 (ex Financials) – China, United States and Japan were countries with the largest number of companies



Distribution of Global Worst 100 ex Financials Quality Companies vs. MSCI All Country World Index by Country 2019 (by Number of Companies)

	2019	2018	2017	2016	2015	2014	2013	Country's % in MSCI ACWI in 2019
China	21	3	4	9	3	3	2	15.1%
United States	17	16	18	12	14	13	15	21.3%
Japan	13	10	21	27	29	40	38	11.7%
Brazil	9	0	7	4	4	3	1	1.9%
Taiwan	5	11	3	3	4	4	2	3.1%
Britain	5	8	5	3	4	1	4	3.6%
Hong Kong	5	2	1	1	1	0	0	3.3%
Canada	5	0	2	1	1	2	0	3.4%
South Korea	4	16	10	10	16	11	7	4.1%
France	3	9	3	5	5	3	5	2.7%
Italy	2	3	2	2	3	1	6	0.7%
Australia	2	2	2	2	2	2	1	2.5%
Thailand	2	1	2	2	2	1	1	1.3%
Germany	2	0	4	3	1	4	3	2.2%
Spain	1	4	1	0	1	2	1	0.8%
Mexico	1	1	1	1	2	1	0	1.0%
India	1	0	3	3	2	3	2	2.8%
Singapore	1	0	0	0	0	0	0	0.9%
Luxembourg	1	0	0	1	0	0	0	0.3%
Netherlands	0	3	1	0	0	1	2	0.8%
Greece	0	3	0	1	1	0	0	0.2%
Ireland	0	2	1	1	0	0	1	0.9%
Malaysia	0	2	1	1	1	0	0	1.6%
Turkey	0	1	1	0	0	0	0	0.6%
Russia	0	1	1	0	0	0	0	0.8%
Austria	0	1	0	0	0	1	2	0.2%
Poland	0	1	0	0	0	0	1	0.7%
Switzerland	0	0	3	3	1	1	2	1.6%
Indonesia	0	0	1	1	0	0	0	1.0%
Chile	0	0	1	1	1	0	0	0.6%
Sweden	0	0	1	1	1	0	1	1.1%
Belgium	0	0	0	0	0	0	1	0.4%
Denmark	0	0	0	1	0	0	1	0.6%
Portugal	0	0	0	0	0	0	1	0.1%
South Africa	0	0	0	1	1	2	0	1.7%
Egypt	0	0	0	0	0	1	0	0.1%
TOTAL	100	100	100	100	100	100	100	95.7%

China, United States and Japan were countries with the largest number of Worst companies in the MSCI All Country World Index. Taiwan, Britain and South Korea managed to reduce the worst of companies in the Worst 100 excl. Financials from 2018 to 2019, while number of companies from China, United States, Japan and Brazil in Worst 100 list increased.

Sources: Hérens Quality Asset Management, Thomson Reuters

Global Quality *TOP 100* – Information Technology, Health Care and Consumer Discretionary had the largest number of Quality Companies



Distribution of Global *TOP 100* Quality Companies vs. MSCI All Country World Index by Sector 2019
(by Number of Companies)

	2019	2018	2017	2016	2015	2013	Sector's % in MSCI ACWI in 2019
Information Technology	27	20	17	20	20	15	8.6%
Health Care	20	16	0	0	0	0	7.4%
Consumer Discretionary	17	28	27	24	23	24	11.8%
Consumer Staples	15	8	22	20	18	20	7.9%
Industrials	9	9	11	13	11	13	15.5%
Financials	7	8	8	9	8	5	17.2%
Communication Services	2	6	11	10	11	11	6.7%
Materials	2	4	4	4	7	7	8.9%
Energy	1	1	0	0	2	4	5.0%
Real Estate	0	0	0	0	0	0	6.1%
Utilities	0	0	0	0	0	1	5.0%
Total	100	100	100	100	100	100	100.0%

Information Technology, Health Care and Consumer Discretionary had the largest number of Quality companies in the MSCI All Country World Index.

Global Worst 100 (with Financials) – Financial sector had the largest number of Worst companies



Distribution of Worst 100 Quality Companies vs. MSCI All Country World Index by Sector 2019 (by Number of Companies)

	2019	2018	2017	2016	2015	2013	Sector's % in MSCI ACWI in 2019
Financials	46	50	46	44	42	49	17.2%
Industrials	14	10	13	13	20	19	15.5%
Utilities	9	8	12	13	14	6	5.0%
Materials	7	6	8	6	5	5	8.9%
Consumer Staples	7	6	5	7	3	4	7.9%
Consumer Discretionary	6	8	7	7	9	11	11.8%
Information Technology	4	6	0	1	0	1	8.9%
Communication Services	3	2	4	3	4	4	6.3%
Health Care	3	1	0	0	0	0	7.4%
Energy	1	3	5	6	3	1	5.0%
Real Estate	0	0	0	0	0	0	6.1%
Total	100	100	100	100	100	100	100%

Financial, Industrial and Utilities had the largest number of Worst 100 companies in the MSCI All Country World Index.

Global Worst 100 (ex Financials) – Industrials, Utilities and Materials had the largest number of companies



Distribution of Global Worst 100 Quality Companies ex Financials vs. MSCI All Country World Index by Sector 2019 (by Number of Companies)

	2019	2018	2017	2016	2015	2014	2013	Sector's % in MSCI ACWI in 2019
Industrials	32	21	19	26	28	33	36	15.5%
Utilities	18	17	16	20	19	18	15	5.0%
Materials	13	10	12	13	14	10	11	8.9%
Consumer Staples	9	9	9	10	8	11	8	7.9%
Consumer Discretionary	7	15	16	11	17	15	15	11.8%
Information Technology	7	6	3	1	1	1	3	8.9%
Communication Services	6	9	8	8	9	9	8	6.3%
Health Care	4	5	0	0	0	0	0	7.4%
Energy	2	8	17	11	4	3	4	5.0%
Real Estate	2	0	0	0	0	0	0	6.3%
Financials	0	0	0	0	0	0	0	17.2%
Total	100	100	100	100	100	100	100	100%

Industrials, Utilities and Materials had the largest number of Worst 100 excl Financials companies in the MSCI All Country World index.

Global Quality TOP 100, Worst 100 (with Financials) and Worst 100 (ex Financials) – Growth companies dominated over Value companies in Quality TOP 100



Distribution of Global Quality TOP 100, Worst 100 (with Financials) and Worst 100 (ex Financials) Quality Companies vs. MSCI All Country World Index by Style*



*Growth: Price/Book Value ratio of stocks larger than the median Price/Book Value ratio of the MSCI All Country World Index.
 Value: Price/Book Value ratio of stocks smaller than or equal to the median Price/Book Value ratio of the MSCI All Country World Index.

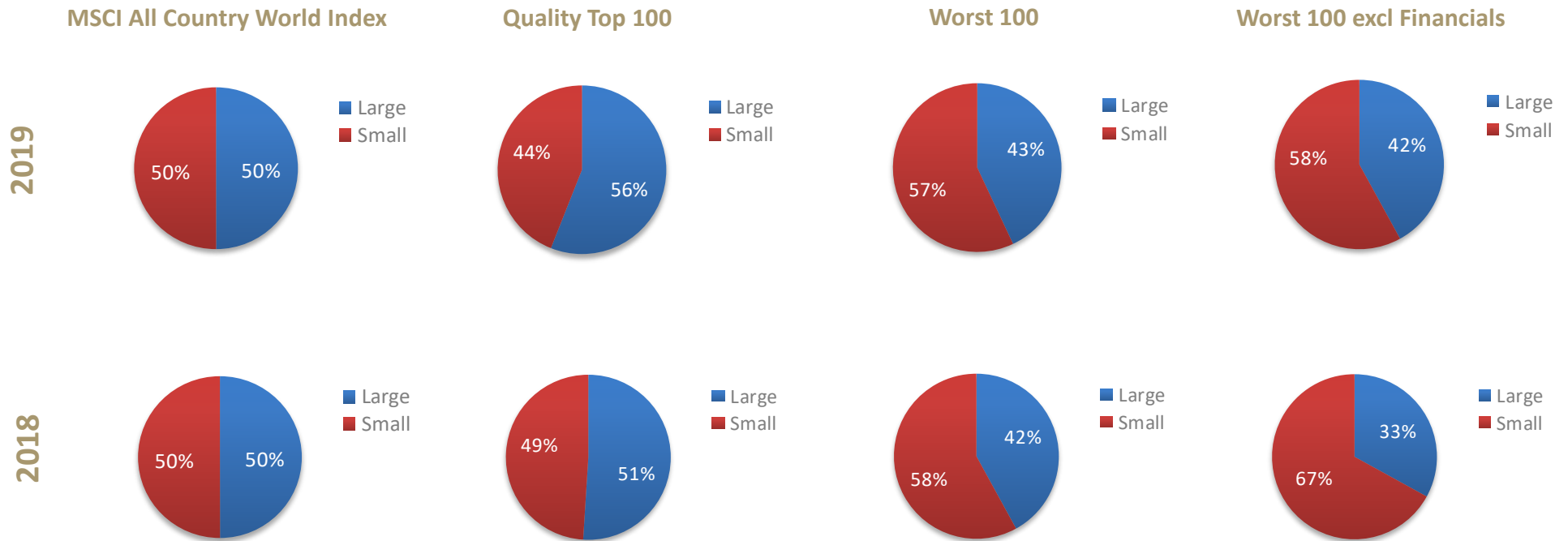
Sources: Hérens Quality Asset Management, Thomson Reuters

Global Quality TOP 100, Worst 100 (with Financials) and Worst 100 (ex Financials)

– Only in Quality Top 100 Large Cap companies are more than in Worst 100 or Worst 100 excl. Financials



Distribution of Global Quality TOP 100, Worst 100 (with Financials) and Worst 100 (ex Financials) Quality Companies vs. MSCI All Country World Index by Size*



Distribution between of Quality TOP 100 by Size was more evenly split in 2018 in comparison with 2017. The share of Small Cap companies is higher within the Worst 100 and Worst 100 ex Financials distribution.

*Large: Market capitalization of stock larger than the median market capitalization of the MSCI All Country World Index.
 Small: Market capitalization of stock smaller than or equal to the median market capitalization of the MSCI All Country World Index.

Excellence Award Europe Winners



Winners 2019 of the European Excellence Award – Four New Names in 2019



	REGION	WINNER
	Europe	Rational AG
	Austria	Österreichisches Post AG
	Belgium	Melexis NV
	Britain	Victrex PLC
	Denmark	Novo Nordisk A/S
	Finland	Nokian Renkaat OYJ (NEW)
	France	Hermes Internaitonal SA
	Germany	Rational AG
	Italy	Moncler SpA (NEW)
	Netherlands	ASML NV (NEW)
	Norway	Salmar ASA (NEW)
	Spain	Zardoya Otis SA
	Sweden	BioGaia AB
	Switzerland	Partners Group AG

Winner in Europe (and Germany) – Rational AG



Executive Summary

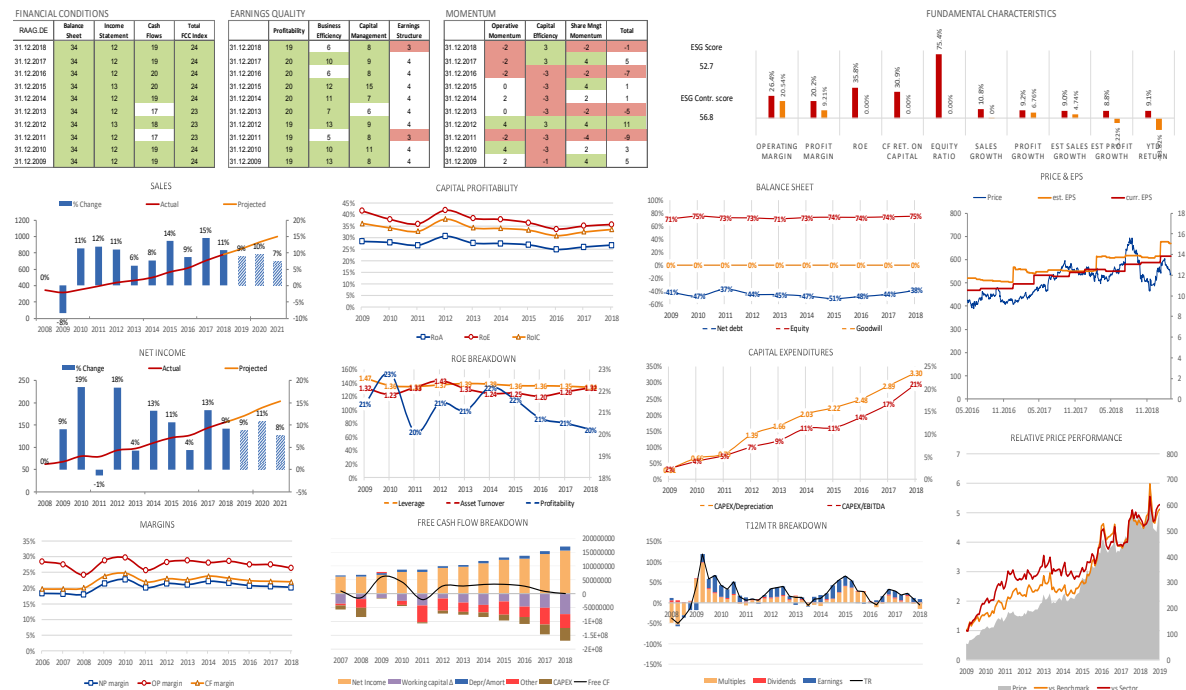
- Rational AG is a Germany-based global developer, producer and supplier of products for industrial and commercial kitchens worldwide. The Company's core competence is to provide units for heating and cooking all types of food. The Company's products include the SelfCooking Center (92% of sales), an all-in-one appliance that is able to deal with almost all main cooking processes (baking, roasting, grilling, steaming, braising, blanching and poaching) and VarioCooking Center (8% of sales), which, with help of automatic control, cooks in liquids or in direct contact with heat, up to four times faster than comparable products. Rational is the world market and technology leader for the thermal preparation of food in professional kitchens.
- Customers of Rational include professionals from many niches: restaurants, hotels, company canteens, hospitals, schools, universities, military facilities, prisons, retirement homes, fast-food chains, caterers, supermarkets, bakeries and snack outlets. Rational AG operates worldwide through independent distribution partners as well as numerous subsidiaries located in Europe, the Americas and Asia. Rational AG makes 45% of sales outside Germany in other European countries, 24% in the Americas and 14% in Asia.

Milestones of Excellence

- It holds a leading position by far in terms of market position and technology in the field of hot food preparation in professional kitchens - it holds a world market share of more than 50%.
- Company's products are market leaders in terms of technology and applications, even though prices are similar to those of competitors (e.g. SelfCookingCentre® whiteefficiency®, VarioCookingCenter® multificiency®).
- Competitive advantages results in high profitability -net profit margin above 20%. Company has excellent financial conditions with sound balance sheet, liquid funds represents 45% of assets, no net debt, cash from operations fully cover financial liabilities.
- Rational AG has well-structured regional diversification, covering key regions of the world.

Sources: Hérens Quality Asset Management , Thomson Reuters

Rational AG



Winner in Austria – Österreichische Post AG



Executive Summary

- Oesterreichische Post AG (Post AG) is an Austria-based provider of mail shipping services. Its core business consists of transporting and delivering letters, direct mail items, print media and parcels as well as providing various logistics services. The company operates two major segments: Mail Division comprises Letter Mail, Info Mail as well as Media Post business area, and consists of acceptance, sorting and delivery of letters, postcards, addressed and unaddressed direct mail items, newspapers and regional media; Parcel and Logistics Division offers parcel, express and logistics services in Austria, Germany as well as in South Eastern and Eastern Europe.
- Oesterreichische Post AG has an absolute leadership in mail shipping (98% market share) and top positions in parcel service (48% market share). Domestic market is the major revenue source contributing 92% of total revenue. But the company is also present in Slovakia, Croatia, Serbia, Montenegro and other South Eastern European countries, mostly through parcel business.

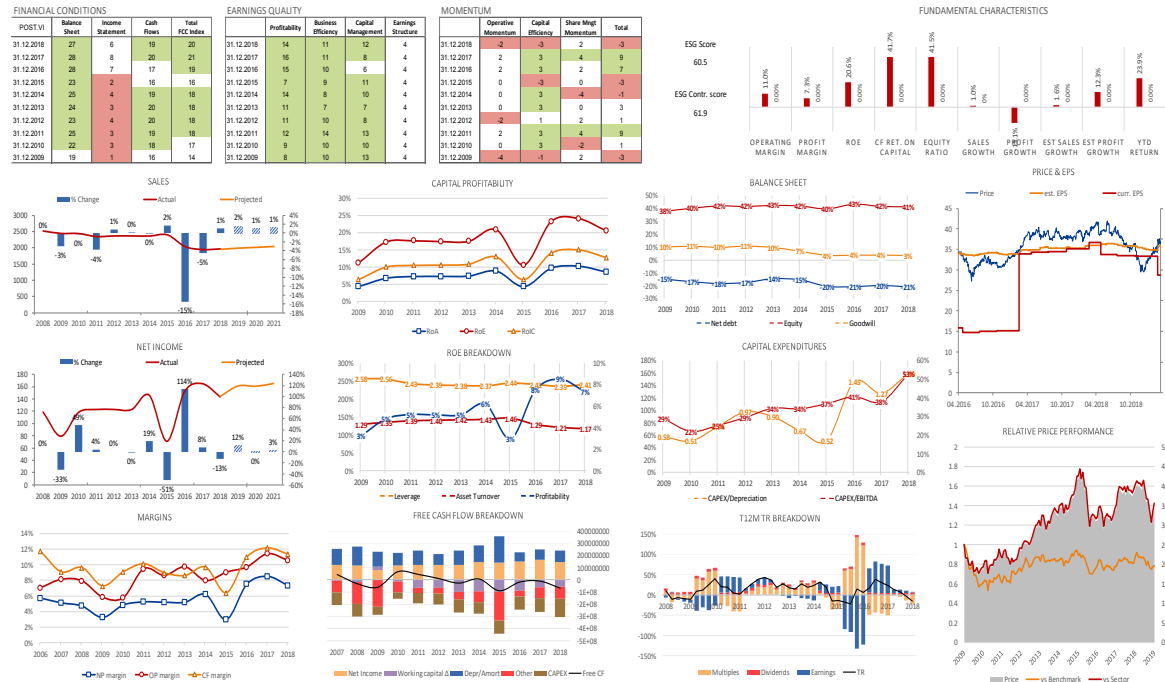
Milestones of Excellence

- Broad network of branches, efficient management and investment strategy allow company to have leading positions in all segments. Oesterreichische Post provides outstanding delivery quality and broad offering of individual customer solutions. The company is market leader in mail segment, in parcel delivery segment the company has 58% market share in B2C and 32% in B2B segments.
- The company has a significant tailwind from the e-commerce expansion, which helps to expand its parcel service, which makes 28% of sales. The growth is also set to continue for the company thanks to launching new model in 2018: pricing differentiation for the time-critical and not time-critical delivery (allows more flexibility in terms of timing).
- Oesterreichische Post AG is a financially strong company: high quality of balance sheet, low debt level, efficient financial management. Despite growing competition and negative trends in postal market, company keeps stability of financial conditions and profitability. Post AG rewards its shareholders with high dividend payouts, according to its policy at least 75% of net income should be paid out in cash dividends.

Sources: Hérens Quality Asset Management, Thomson Reuters

Oesterreichische Post AG

Date of downloading: 29.03.2019 Next Earning Release 16.05.2019



Winner in Belgium – Melexis NV



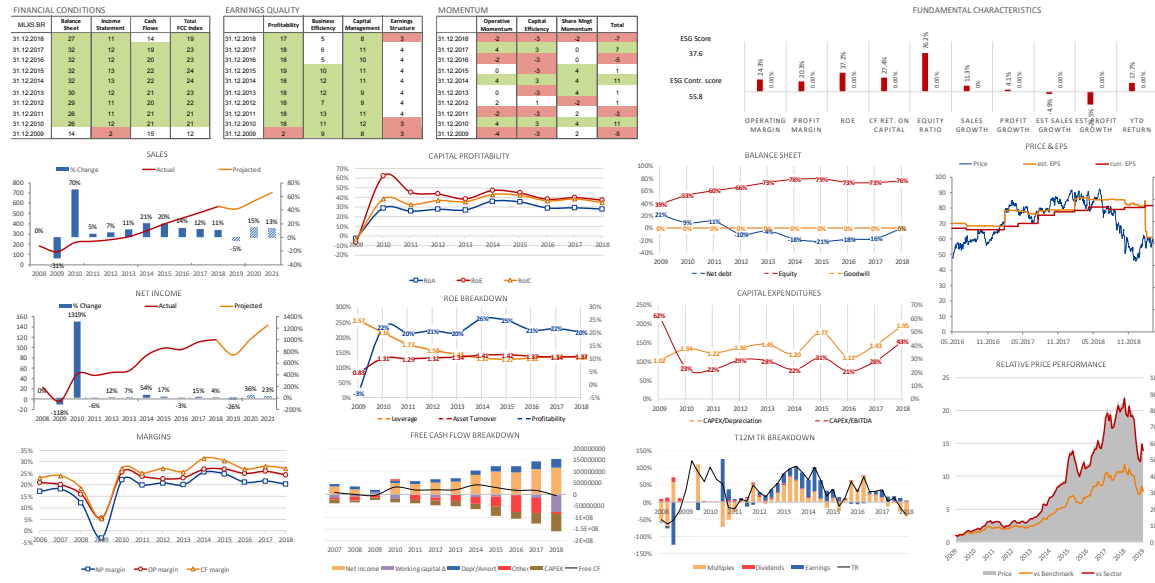
Executive Summary

- Melexis is a fabless chip company that designs, develops, tests and markets advanced integrated semi-conductor devices for use mainly in automotive electronics systems.
- The company's advanced mixed-signal semiconductor sensor and actuator components address the challenges of integrating sensing, driving and communication into next-generation products and systems that improve safety, raise efficiency, support sustainability and enhance comfort.
- Company is well diversified globally – 49% of sales comes from Asia Pacific, 39% from EMEA and 12% from North and Latin America.

Milestones of Excellence

- Melexis strength lies in creating and launching innovations and delivering zero-defect quality. Company is an expert in designing and developing smart integrated circuits and sensors for automotive electronics systems. In particular, it is recognized as a world leader for the magnetic sensor devices. Melexis operates in a quality-driven market and is thus able to demand a premium for its high-end products (margins above 20%).
- The growth in the electronic content of automobiles worldwide continues to demand increasingly capable ICs and IC sensors.
- Future revenue growth will be supported by many new and existing products in various product lines such as magnetic sensors, sensor interfaces, optical sensors, pressure sensors, fan drivers, BLDC and LIN.

Melexis NV



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Britain – Victrex Plc



Executive Summary

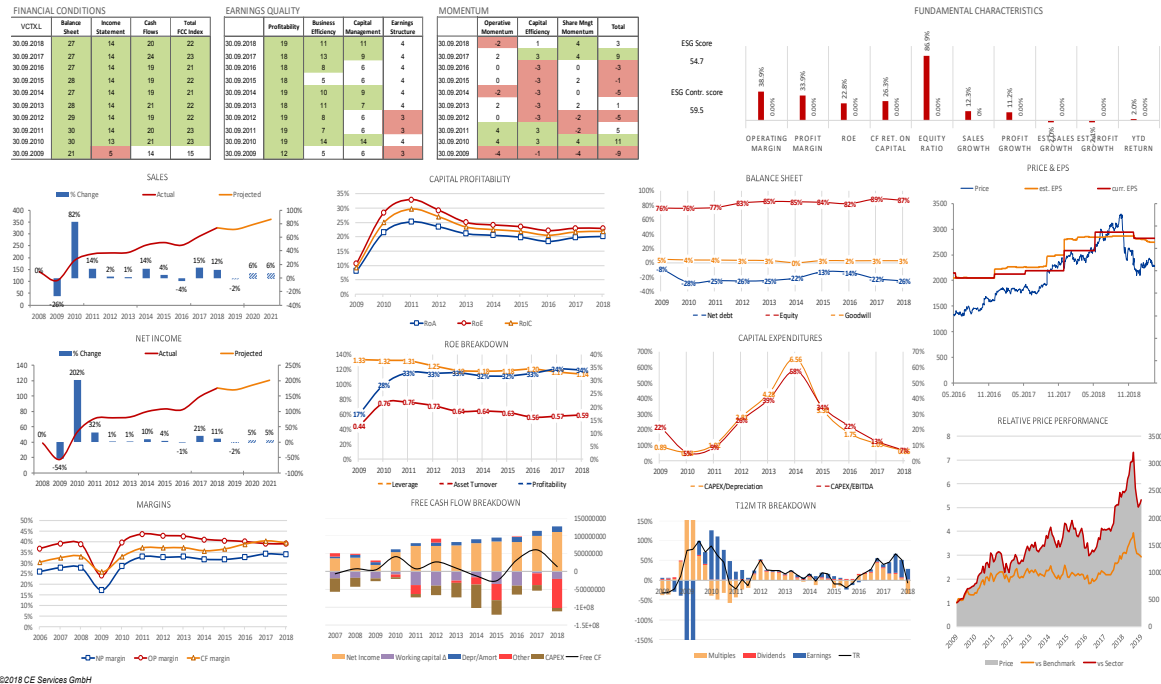
- Victrex is the dominant manufacturer and marketer of aromatic ketone polymers sold under the brand names VICTREX® PEEK and PEEK-OPTIMA® polymers. They are considered to be the highest performing melt-processable polymers in the world and a strong choice in metal replacement – lightweight, 70% lighter than traditional aerospace material, strong, process efficiency. The company currently supplies approximately 80% of the world market. Operates two business divisions: VPS which sells into industrial, electronics and transport; and Invibio, which sells into the surgical and medical device markets. With over 30 years' experience, company has developed global reach, real scale, manufacturing and technical excellence that has not only streamlined the growth across various cyclical markets, but also helped to backward integrate into key raw materials and have serious economies of scale which pushes down the possibility of new companies entering the market.
- While facing pricing pressure, especially in medical applications, Victrex is moving downstream into the new valued added products expanding its participation in the whole production chain. Recently launched many new applications (over the last 13 years commercialized 6349 applications) for PEEK as a result of consistent investments into R&D (approximately 5% of revenues).

Milestones of Excellence

- With over 40 years' experience, the company has developed global reach, real scale, manufacturing and technical excellence that has not only streamlined the growth across various cyclical markets but also helped to backward integrate into key raw materials and have high economies of scale which reduces probability of new companies entering the market.
- 2018 saw further progress in the early commercialization of several mega-programmes. In Dental, the company signed a major customer agreement with Straumann, one of the world's largest Dental companies, whilst in Automotive, Gears mega-programme saw the first PEEK Gears used to replace metal in a European car. Also secured further offshore deployments for Magma oil & gas flexible pipe application, as well as the potential from a long-term opportunity in offshore Brazil.

Sources: Hérens Quality Asset Management, Thomson Reuters

Victrex PLC



Winner in Denmark – Novo Nordisk A/S



Executive Summary

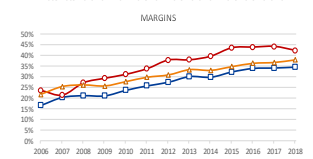
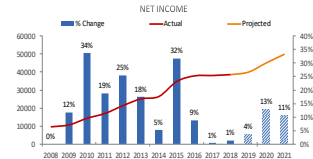
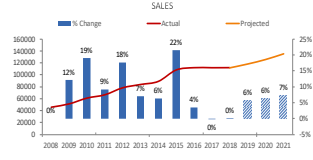
- Novo Nordisk is the world's largest diabetes care company with a strong position in "growth disorder" and "haemophilia".
- It operates through two business segments: Diabetes and obesity care and Biopharmaceuticals. It is present in 75 countries with more than 41,000 employees. North America is the largest region for Company and accounts for 52% of sales (Europe: 19%, Africa, Asia, Middle East and Oceania: 11%, China 10%).
- Company holds leading global market position with 27% value market share, 46% insulin volume market share and 46% value share in GLP-1 segment (GLP-1 stimulates natural insulin secretion in pre-insulin stage patients). Novo Nordisk is a market leader in growth disorder (#1) and hemophilia (#2).

Milestones of Excellence

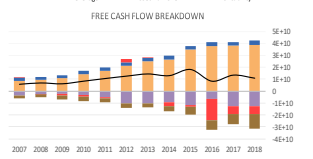
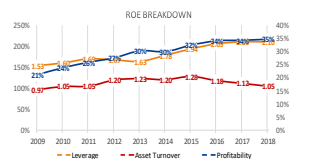
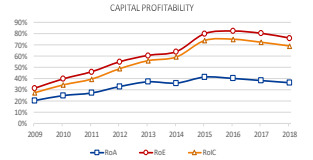
- Company has a dominant position in a niche with recurring revenue and high entry barriers, can be considered best-in-class, has the widest product portfolio, and has delivered stellar execution as evidenced by its track record.
- Market leadership is supported by the complexity of the biological manufacturing process, a global sales force and brand recognition.
- It has the industry's broadest insulin portfolio and its products are more efficient, have reduced side effects and have less frequent use compared to existing alternatives.
- Novo Nordisk has a strong R&D culture and experience in biologics development resulting in continuously improved product launches. Company has an ambition to develop a diverse pipeline of future obesity care products, starting with semaglutide 2.4 mg – a once-weekly GLP-1 for weight management.
- With the expected regulatory approval and launch of oral semaglutide, Novo Nordisk could be entering the oral antidiabetes segment with the aim of establishing a leadership position.

Novo Nordisk A/S

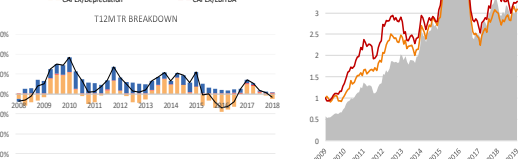
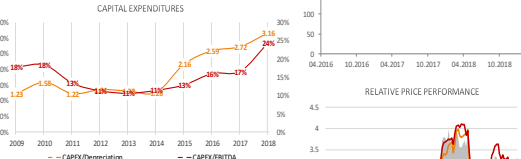
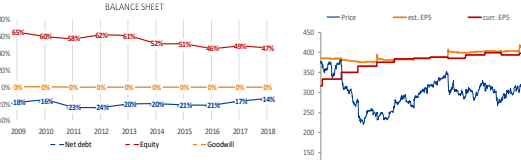
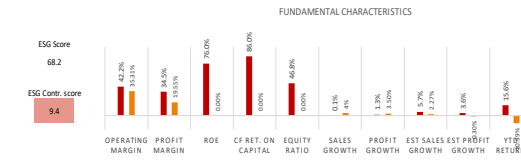
FINANCIAL CONDITIONS				EARNINGS QUALITY				MOMENTUM				
NOVORD.CO	Balance Sheet	Income Statement	Cash Flow	Total FCC Index	Profitability	Business Efficiency	Capital Management	Earnings Structure	Operative Momentum	Capital Efficiency	Share Mgt Momentum	Total
31.12.2018	20	14	21	23	20	8	3	4	2	-3	2	1
31.12.2017	30	14	21	23	20	6	5	4	2	3	2	3
31.12.2016	30	14	21	23	20	6	9	4	4	1	4	9
31.12.2015	30	14	21	23	20	11	9	4	4	3	4	11
31.12.2014	30	14	20	23	20	9	11	4	0	1	4	5
31.12.2013	30	14	21	23	19	11	11	4	4	3	4	11
31.12.2012	31	14	22	24	19	10	10	4	4	3	4	11
31.12.2011	31	14	22	24	19	11	11	4	4	3	4	11
31.12.2010	31	14	23	24	19	13	12	4	4	3	4	11
31.12.2009	29	13	24	24	19	14	12	4	0	3	4	7



©2018 CE Services GmbH



Date of downloading: 20.03.2019 Next Earning Release 03.05.2019



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Finland – Nokian Renkaat OYJ



Executive Summary

- Nokian Tyres develops and manufactures tires for passenger cars, trucks, and heavy machinery. Company concentrates on the consumer car and vehicle tyre replacement and premium snow tyre markets.
- Known for its winter tyres, Nokian operates the only permanent winter tyre testing facility in the world and has factories in Finland and Russia, and a third one is under construction in the US.
- As a niche player, Nokian has very strong position and owns leading market shares in core markets like Scandinavia & Russia (over 20%). The biggest chunk of revenues comes from the replacement market (with OE sales accounting for 20% of volume), which provides certain hedge during downward auto cycle.

Milestones of Excellence

- Because Nokian is more focused than other players, it also enjoys above industry growth rates thanks to targeted R&D. Nokian's overall volume (+5.8% cc) outpaced the market in 2018, gaining share in winter and high-performance tires.
- Also, company enjoys tyre industry's largely unique ability to raise prices when raw-material costs rise, passing them on to the customers. This translates into best in class margins for Nokian ('18 EBIT margin of 23.3% vs 11% for peer median).
- In five years from 2018, Nokian aims to a) increase sales in Central Europe by 50%, b) double sales in N. America (where currently it holds less than 1% share), c) increase sales of heavy tires by 50% (market CAGR of 5% through 2022, worth \$26 bn), d) improve profitability of Vianor (own retail), by rerouting strategy from expansion to profitable growth.

Nokian Tyres plc



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in France – Hermès International SA



Executive Summary

- Hermès International SA is a French luxury company that specializes in the design, manufacturing and marketing of authentic high-class products. Hermès is European 3rd largest luxury group after LVMH and Richemont and is a possessor of the extensive portfolio of more than 50,000 items, among which are leather & silk goods, textiles, jewelry & watches, shoes, tableware and others.
- Although present worldwide and having well balanced regional exposure, Hermès is focused on three major markets – France (13%), United States (18%) and Japan (13%). Despite that, company still strives to open up new territories and extend global reach through expansion of the retail network (owns 2/3 of distribution points that account for 70% of revenues).
- With over 175 years of experience in luxury segment, company derives significant proportion of its sales from the most profitable product category Leather Goods & Saddlery (50% of revenues) that has top-end price points.

Milestones of Excellence

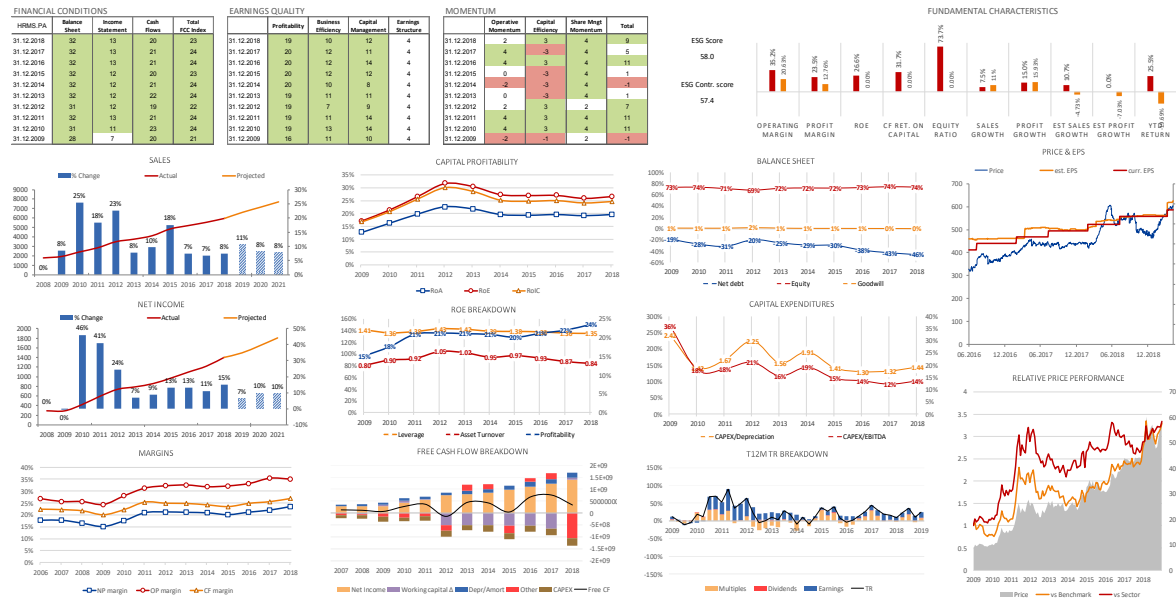
- Hermès brand that blends precision manufacturing with traditional craftsmanship, has exceptional positioning which ensures high level of desirability (its evergreen products, the Kelly and Birkin bags, attract long waiting lists – more than 1 year on the most coveted bags), and historically benefited company with the resilience towards demand swings.
- Exclusive positioning of the company has been well demonstrated in China last couple of years – while peers were suffering from slowing demand from the region, Hermès managed to achieve double digit growth in China.
- The company is expanding its leather goods and maroquinerie production capacities through to 2020 with new workshops in France (e.g. Normandy) in order to meet strong demand for its handbags (Hermès even ran low on inventory in 2017).
- Similar to rivals, Hermès is also trying to boost online sales, and is due to roll out the new website version in Europe by the end of the Q1'18 and in China by the year-end. Also, company continues to expand its retail presence in Asia (like opening new flagship stores in Hong Kong and Macau).

Sources: Hérens Quality Asset Management, Thomson Reuters

Hermès International SCA

Date of downloading: 18.04.2019

Next Earning Release NULL



Winner in Germany – Rational AG



Executive Summary

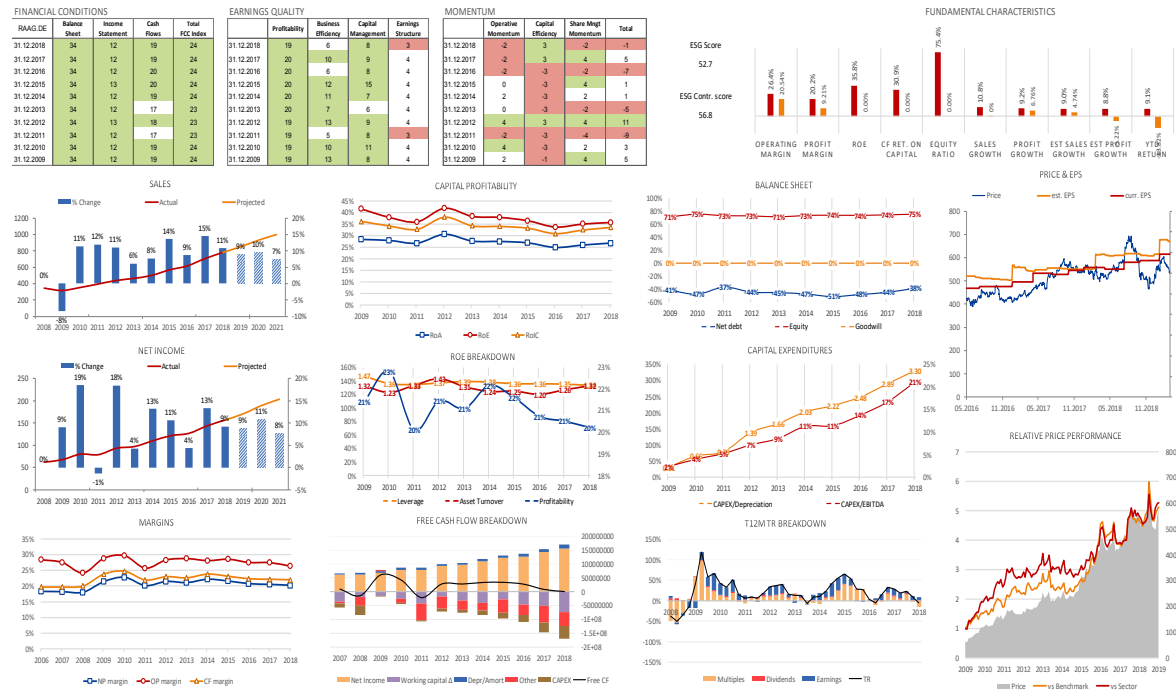
- Rational AG is a Germany-based global developer, producer and supplier of products for industrial and commercial kitchens worldwide. The Company's core competence is to provide units for heating and cooking all types of food. The Company's products include the SelfCooking Center (92% of sales), an all-in-one appliance that is able to deal with almost all main cooking processes (baking, roasting, grilling, steaming, braising, blanching and poaching) and VarioCooking Center (8% of sales), which, with help of automatic control, cooks in liquids or in direct contact with heat, up to four times faster than comparable products. Rational is the world market and technology leader for the thermal preparation of food in professional kitchens.
- Customers of Rational include professionals from many niches: restaurants, hotels, company canteens, hospitals, schools, universities, military facilities, prisons, retirement homes, fast-food chains, caterers, supermarkets, bakeries and snack outlets. Rational AG operates worldwide through independent distribution partners as well as numerous subsidiaries located in Europe, the Americas and Asia. Rational AG makes 45% of sales outside Germany in other European countries, 24% in the Americas and 14% in Asia.

Milestones of Excellence

- It holds a leading position by far in terms of market position and technology in the field of hot food preparation in professional kitchens - it holds a world market share of more than 50%.
- Company's products are market leaders in terms of technology and applications, even though prices are similar to those of competitors (e.g. SelfCookingCentre® whiteefficiency®, VarioCookingCenter® multificiency®).
- Competitive advantages results in high profitability -net profit margin above 20%. Company has excellent financial conditions with sound balance sheet, liquid funds represents 45% of assets, no net debt, cash from operations fully cover financial liabilities.
- Rational AG has well-structured regional diversification, covering key regions of the world.

Sources: Hérens Quality Asset Management , Thomson Reuters

Rational AG



Winner in Italy – Moncler SpA



Executive Summary

- Moncler SpA is engaged in fashion industry. The Company designs, produces and distributes clothing and accessories through Moncler brand. Moncler SpA manufactures collections for women, men and children.
- Moncler SpA operates in high-end sportswear sector, mostly offering jackets, as well as shoes, sweaters, trousers, bags, shirts, tops, gloves, hats and sunglasses. Company's positioning in the luxury sector combines the brand's heritage with innovative, versatile and timeless products.
- Moncler SpA trades its products through more than 190 mono-brand stores, as well as through the wholesale distribution channel. The company is well diversified in terms of regional revenue split. Moncler SpA is present in Europe, Asia and the Americas. Home market Italy generates 12% of sales, EMEA region 29%, the Americas 16%, Asia and rest of the world 43% of sales.

Milestones of Excellence

- The company has great financial conditions, strong balance sheet with negative net-debt, stable high-rate revenue growth and constantly high profitability. Effective cost management allows Moncler SpA to demonstrate steadily growing sales margins. The company beats its peers and industry overall in all main aspects: sales margins, capital profitability and balance sheet quality.
- Moncler SpA has leading positions in the high-end sportswear sector. Moncler SpA demonstrates ability to identify new trends whilst respecting the brand's distinguishing features. The company more than doubled marketing expenditure over last 5 years (7% of sales). Moncler made it possible to strengthen its exclusive position thanks to the brand's presence in the most important multi-brand stores, the main luxury department stores, prestigious shopping streets and resorts.
- Moncler SpA is targeted to open 10 to 15 stores a year in new markets and expanding current locations. The company has great organic growth potential thanks to well recognized brand, which allows company to expand product categories like knitwear, shoes and soft accessories under Moncler brand.

Sources: Hérens Quality Asset Management, Thomson Reuters

Moncler SpA

Date of downloading: 05.04.2019

Next Earning Release

NULL

FINANCIAL CONDITIONS

MONCLER	Balance Sheet	Income Statement	Cash Flows	Total FFC Index
31.12.2018	30	14	23	24
31.12.2017	30	12	21	23
31.12.2016	28	11	20	21
31.12.2015	20	10	18	20
31.12.2014	22	9	16	18
31.12.2013	19	9	16	16
31.12.2012	17	9	17	15
31.12.2011	13	7	9	10
31.12.2010	16	7	14	13
31.12.2009	20	7	15	15

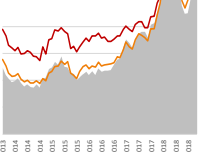
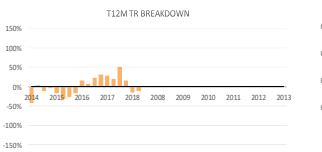
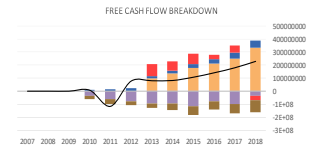
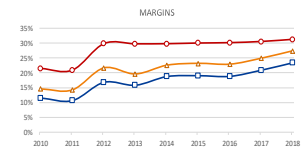
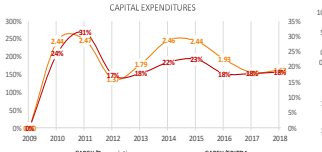
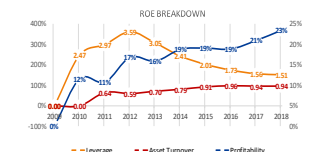
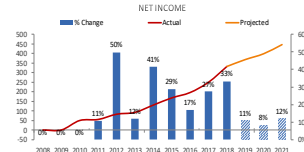
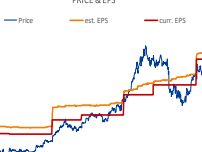
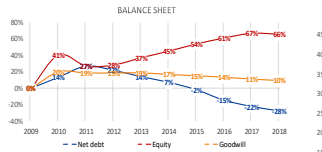
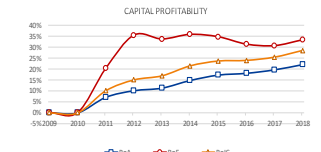
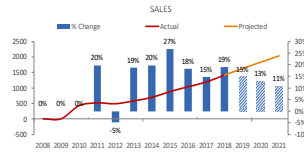
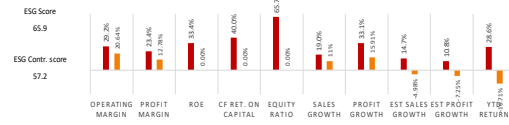
EARNINGS QUALITY

Profitability	Business Efficiency	Capital Management	Earnings Structure	
31.12.2018	19	11	9	4
31.12.2017	20	12	8	4
31.12.2016	20	13	13	4
31.12.2015	20	13	9	4
31.12.2014	19	12	10	4
31.12.2013	19	9	12	3
31.12.2012	18	11	7	4
31.12.2011	15	7	12	4
31.12.2010	13	9	9	4
31.12.2009	10	9	9	4

MOMENTUM

Operat. Momentum	Capital Efficiency	Share Mgt. Momentum	Total	
31.12.2018	4	3	4	11
31.12.2017	4	1	4	9
31.12.2016	0	1	4	5
31.12.2015	4	1	4	9
31.12.2014	4	3	4	11
31.12.2013	-2	1	0	-1
31.12.2012	2	3	4	9
31.12.2011	-2	0	-4	-4
31.12.2010	3	0	0	3
31.12.2009	0	0	0	0

FUNDAMENTAL CHARACTERISTICS



©2018 CE Services GmbH

Winner in the Netherlands – ASML NV



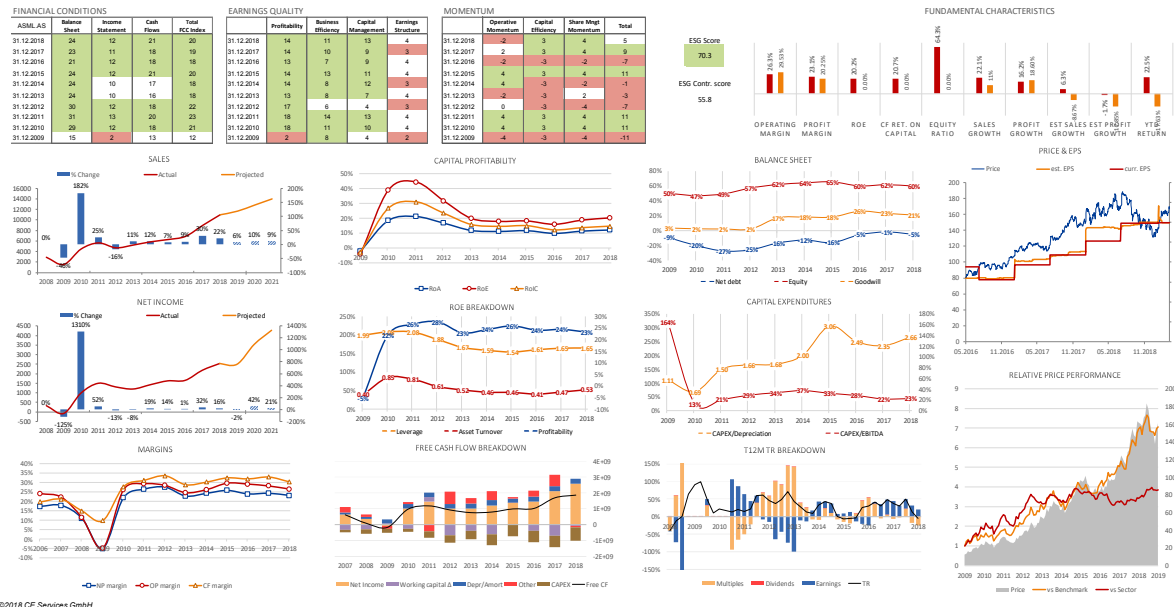
Executive Summary

- ASML Holding NV (ASML) is the Netherlands-based holding company active in the field of technology. The Company is a provider of advanced semiconductor equipment systems, consisting of lithographic systems.
- It offers an integrated portfolio of products mainly for manufacturing complex integrated circuits (IC), semiconductors or chips. It supplies lithography systems to IC manufacturers throughout Asia, the United States and Europe.
- It provides its customers with a range of support services from advanced process and product applications knowledge to round-the-clock service support.

Milestones of Excellence

- ASML is the world's leading provider of lithography systems for the semiconductor industry, manufacturing complex machines that are critical to the production of integrated circuits or chips.
- ASML designs, develops, integrates, markets and services advanced systems used by customers – the major global semiconductor manufacturers (e.g. Samsung, Intel, TSMC) – to create chips that power a wide array of electronic, communications and information technology products. Industry is dominated by few players (ASML, Nikon, Canon) and ASML's technological leadership has resulted in market share of 80-90%.
- Company has monopolized the high-end lithography market as the most advanced EUV (Extreme Ultra Violet) lithography machines can only be produced by ASML in the world. EUV use is only just starting to be used in commercial mass production thus providing great long-term growth opportunities for ASML.

ASML Holding NV



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Norway – Salmar ASA



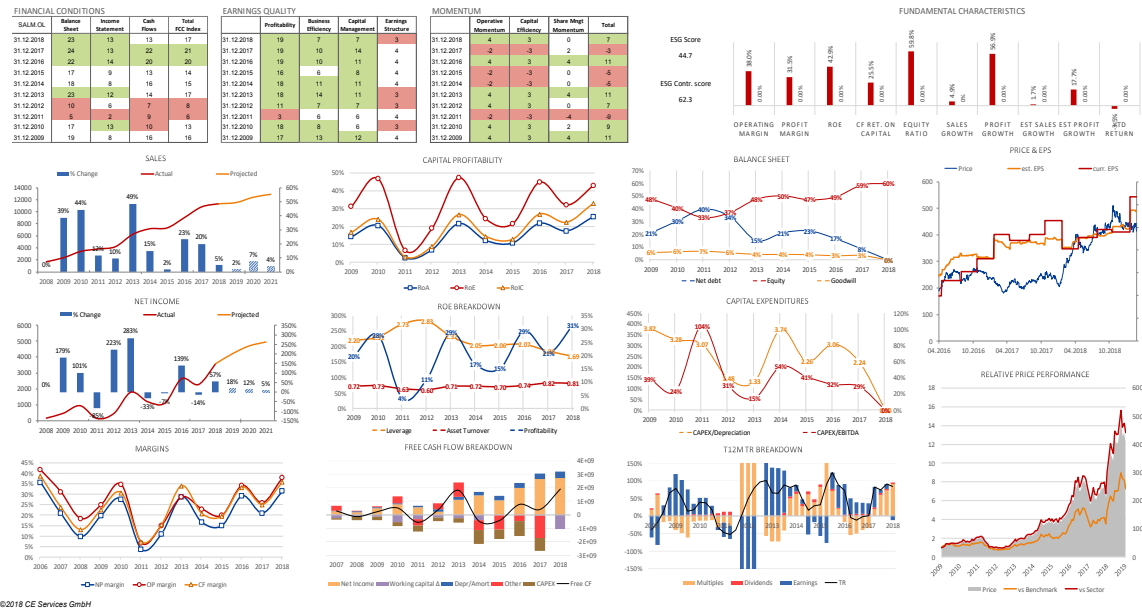
Executive Summary

- SalMar ASA is one of the world's foremost producers of farmed salmon that produces and sells farmed salmon globally.
- Company is integrated and its activities include smolt production, as well as marine-phase farming, harvesting, processing, and sale of farmed salmon and white fish.
- The company sells its products to importers/exporters, processing companies and retail chains through in-house sales force and/or through partners.

Milestones of Excellence

- Throughout its history company growth has gone hand in hand with sound financial performance and production innovation. Its integrated business model (from broodstock, roe and smolt to value added products and sales) has been a foundation to become a second largest player of farmed Atlantic salmon globally (7% market share).
- Company is a pioneer in offshore fish farming - since 2012 SalMar has consistently invested to develop and test its offshore fish farming concept. In 2017 it started full-scale pilot facility operations at Ocean Farm 1 that is designed to test out both the biological as well as the technological aspects of offshore fish farming.
- Company believes offshore farm development will provide volume growth for company in long-term. Additional organic growth prospects in mid-term could come from expansion overseas (owns majority of shares in fledgling salmon farm Arnalax, based in Iceland).

Salmar ASA



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Spain – Zardoya Otis SA



Executive Summary

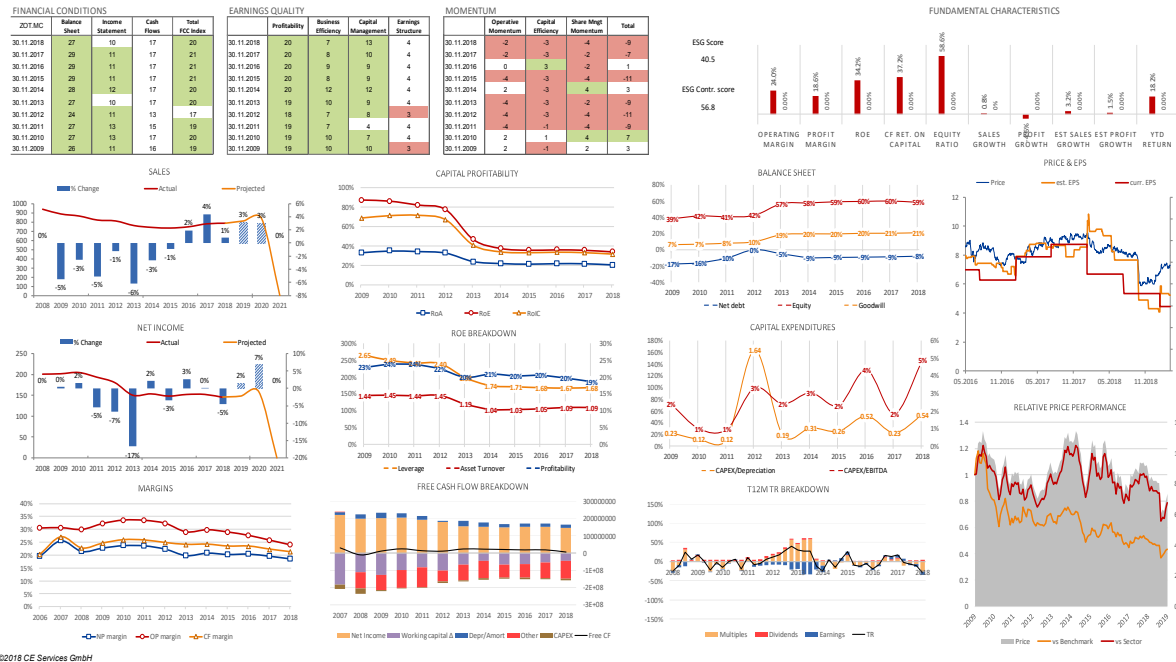
- Zardoya Otis SA is a Spain-based company and subsidiary of United Technologies primarily, engaged in the elevator business. The Company focuses on design, installation, and maintenance of elevators and escalators.
- The Company's products portfolio also comprises moving walkways, stairway chairlifts, as well as other vertical and horizontal transportation systems. Additionally, it offers maintenance programs and Remote Elevator Monitoring system for optimizing elevator performance.
- Moreover, the digitalization program, launched in 2017, has significantly enhanced the quality and reliability of new installations thus helping the company to keep customer satisfaction level high.
- The Company operates several production plants located mostly in Spain.

Milestones of Excellence

- The company has one of the largest maintenance and innovation base in the industry. Zardoya Otis beats a world record by selling 2,389 elevators for existing buildings. Gen2 Flex and Gen2 Switch products distinguished the company from other products on the market in terms of both making the best use of space and energy efficiency. Formed alliance with distribution giants, the hotel sector and the banking sector. Customer loyalty remained at the head of the industry, with an average recommendation rate of 90%. Zardoya has the highest number of elevators under maintenance in Spain (~245,000 in Spain and 285,000 in the Group). The investment in the new San Sebastian plant will bring the company to the leading spot in terms of supply capacity thus supporting further expansion.
- The company has strong brand power. Otis has invented the elevator brake, which transformed skyscrapers from a dream to practical reality; also the company continues to be the world leader in elevator installation and maintenance.
- The company has tangible further growth opportunities: in Spain, there are more than a million buildings without an elevator. Life expectancy is rising, and there is an increasing number of people with mobility needs. Strong backlog – 189.1 million euros (down 4.1% vs. 2017).

Sources: Hérens Quality Asset Management, Thomson Reuters

Zardoya Otis SA



Winner in Sweden – BioGaia AB



Executive Summary

- BioGaia is a Swedish biotech company that sells probiotics (live bacteria and yeasts that are good for your health, especially your digestive system), usually in the form of dietary supplements like drops, tablets and oral hydration solutions. Company holds patent to lactobacillus (lactic acid bacterium) and over 440 patents in 32 different chains of it.
- Company's activities are divided into three segments: Finished consumer products (distributes tablets, drops, Oral Rehydration Solutions), Component products (including cultures as an ingredient in licensee products, such as infant formula and dairy products) and Other products (including animal health goods). In most of the markets BioGaia's products are recommended by doctors or other healthcare professionals.
- Company operates worldwide through a number of subsidiaries, such as Biogaia Biologics Inc, CapAble AB, TwoPac AB and Infant Bacterial Therapeutics AB.

Milestones of Excellence

- Since its foundation in 1990, BioGaia has developed from a probiotics company offering dietary supplements and food for special medical purposes to a company that can work with the entire microbiome in all regulatory categories.
- BioGaia sells its products exclusively through well-established nutritional and pharma companies (contracts 3-7 years), which enables company to leverage strong & well established distribution networks without high investment needs. In a cluttered market, BioGaia is one of the market leaders with 6% share (#6 on the market, Sanofi is #1 with close to 16% share). Despite such distribution structure, almost 70% of products are sold under BioGaia brand (own + co-branding) and this share is gradually increasing over time.
- Market trends are very supportive of Co's growth: total global probiotics market is expected to grow at a CAGR of 10.4% from 2017 to 2027, corresponding to an increase in value from \$1.22bn to \$3.2 bn (transfer price).

Biogaia AB



Sources: Hérens Quality Asset Management, Thomson Reuters

Winner in Switzerland – Partners Group AG



Executive Summary

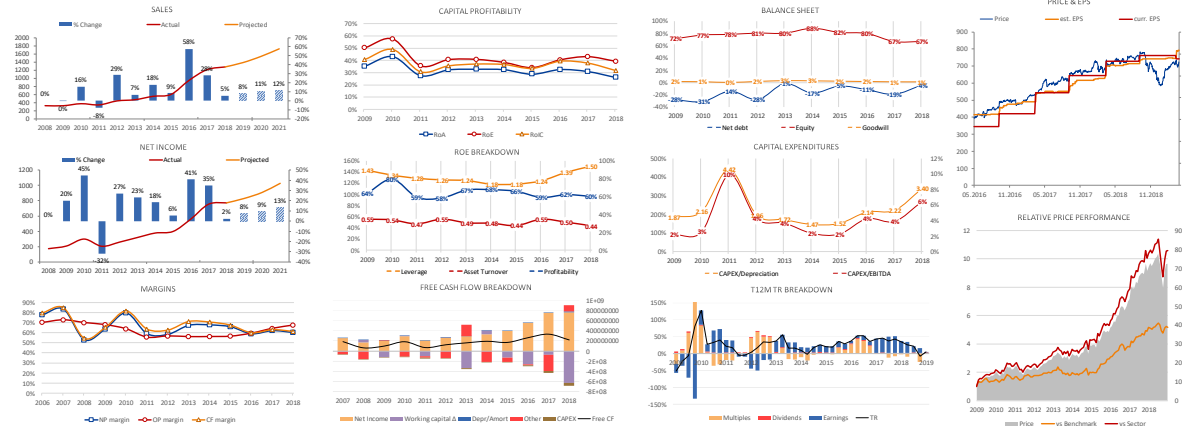
- Partners Group is a globally active financial holding company, engaged in the alternative asset management. Investment approach of the company is based on a combination of direct, secondary and primary investments in private equity, private real estate and private infrastructure.
- Investing in this manner allows the firm to provide broadly diversified portfolios to institutional clients across private markets and sectors. Moreover, company's business model allows higher recurring revenues and reduces dependence on market performance, as Partners focuses on small and mid size deals (EV of CHF 200 mio to CHF 2bn) that usually come with less leverage, which positively impacts stability of the business.
- Partners Group enjoys long duration and visibility of AuM (80% of assets are locked up for 10-12 years), which now stands at EUR 72.8 bn and represents 12th year of consecutive growth.

Milestones of Excellence

- Over the years, Partners Group showed consistent performance and gradual margin expansion (ex years when OCF margin that was affected by one-off related to client financing), as well as stable business development with the successful attainment of an objective to grow AuM.
- As an Asset Manager, Partners has built up a strong private equity track record with attractive and even more importantly, sustainable rates of new money inflows across the business.
- As current market environment is quite challenging and volatile, it causes institutional investors to actively manage their resources and seek alternative sources of returns, which is an excellent opportunity for Partners Group that it intends to capitalize on.
- Currently already 60% of Partner's clients are invested in two, three or four asset classes (vs 40% eight years ago) and this trend continues.

Partners Group Holding AG

FINANCIAL CONDITIONS					EARNINGS QUALITY					MOMENTUM				
FIGURE	Share	Income Statement	Cash Flow	Total FCF value	Profitability	Business Efficiency	Capital Management	Earnings Structure		Operative Momentum	Capital Employed	Share Mgt Momentum	Total	
31.12.2018	27	13	15	10	18	6	5	3		0	-3	-2	-6	
31.12.2017	28	14	20	22	18	12	11	4		4	-1	4	7	
31.12.2016	30	14	18	20	18	8	9	3		0	3	4	7	
31.12.2015	29	14	15	20	18	6	7	2		0	-3	-4	-7	
31.12.2014	30	14	20	20	17	8	10	2		2	-3	4	3	
31.12.2013	28	12	7	15	18	7	7	2		2	3	-2	3	
31.12.2012	30	14	20	23	18	14	11	4		0	3	4	7	
31.12.2011	28	14	18	21	19	4	7	2		-4	-3	-4	-11	
31.12.2010	31	14	20	23	19	11	7	2		2	3	4	9	
31.12.2009	31	14	17	22	19	7	6	3		0	3	-2	1	



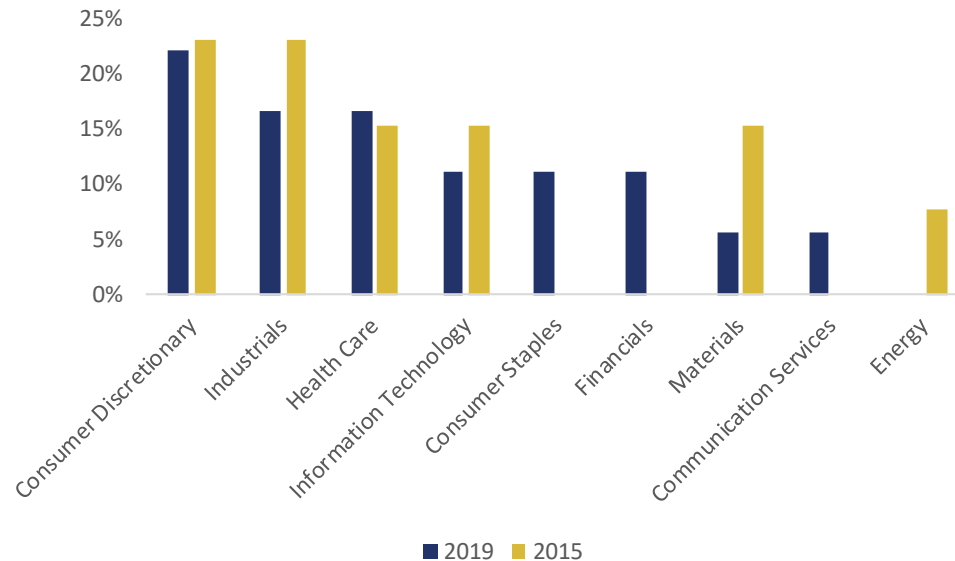
©2018 CE Services GmbH

Sources: Hérens Quality Asset Management, Thomson Reuters

European Excellence Award Winners 5 years trend – increase in Financials, Consumer Staples and Communication Services



European Excellence Award Winners 5 Years Trend Based on Sectors



As compared to 2015, in 2019 there are more companies from Financials, Consumer Staples, Communication Services and Health Care among European Excellence Award Winners, while less from Energy, Consumer Discretionary, Industrials, Materials and Information Technology.

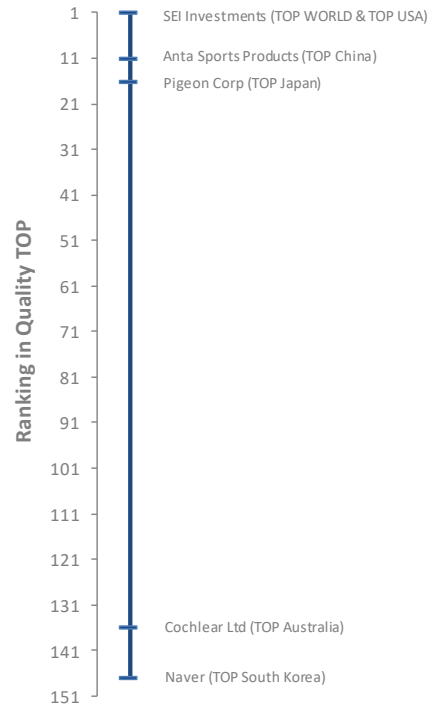
Structural Information on Excellence Award Global Winners



Global Winners – The Excellence Award Winners from United States (TOP World) and Germany (TOP Europe) were at the top of the Ranking in 2019

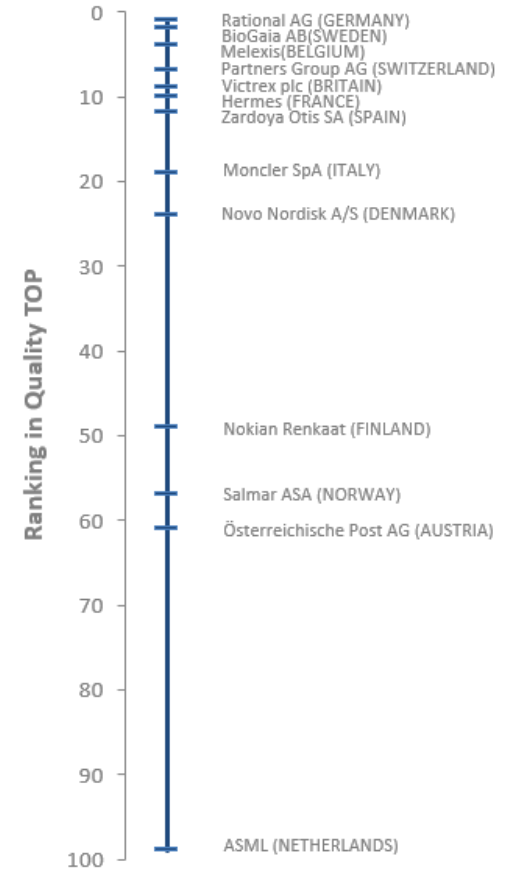


Ranking of the Excellence Award Winners on a Global Level in 2019



The Excellence Award Global winners from USA and China were at the very top of the Ranking in 2019.

Ranking of the Excellence Award Winners on a European Level in 2019



The Excellence Award Europe winners from Germany, Sweden, Belgium and Switzerland were at the very top of the Ranking in 2019.

Global Winners – Seven new companies have become Excellence Award Winners in 2019



Region	Company	2019	2018
TOP World	SEI Investments Co	1	Infosys Ltd
TOP Europe	Rational AG	1	unchanged
AUSTRIA	Österreichische Post AG	1	unchanged
BELGIUM	Melexis NV	1	unchanged
BRITAIN	Victrex Plc	1	unchanged
DENMARK	Novo Nordisk A/S	1	unchanged
FINLAND	Nokian Renkaat OYJ	1	last year winner - Kone OYJ
FRANCE	Hermes International SA	1	unchanged
GERMANY	Rational AG	1	unchanged
ITALY	Moncler SpA	1	last year winner - DiaSorin SpA
NETHERLANDS	ASML NV	1	last year winner - Euronext NV
NORWAY	Salmar ASA	1	last year winner - Borregaard ASA
SPAIN	Zardoya Otis SA	1	unchanged
SWEDEN	BioGaia AB	1	unchanged
SWITZERLAND	Partners Group AG	1	unchanged
USA	SEI Investments Co	1	unchanged
AUSTRALIA	Cochlear Ltd	1	Australia first time in 2019 in Winner List
JAPAN	Pigeon Corp	1	last year winner - Keyence Corp
SOUTH KOREA	Naver Corp	1	unchanged
CHINA	Anta Sports Products Ltd	1	unchanged

13 Excellence Award Winners of 2018 managed to secure their position in 2019, while 7 Excellence Award Winners were new (in TOP World, Finland, Italy, Netherlands, Norway, Sweden, Japan and Australia).
Australia was added to the Winners' list for the first time

Global Winners – All of Excellence Award Winners addressed CSR issues



Corporate Social Responsibility in the Context of Excellence

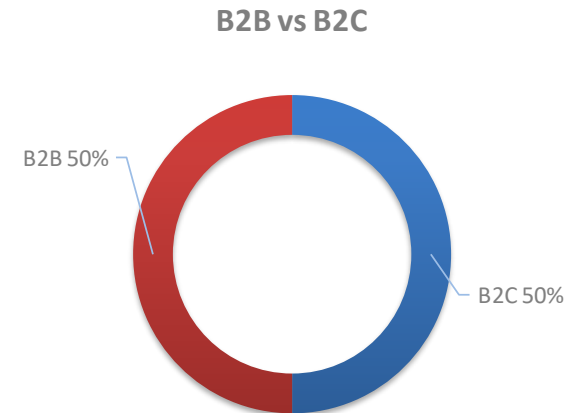
Region	Company	CSR Reporting
TOP Europe	Rational AG	Yes
TOP World	SEI Investments	Yes
AUSTRIA	Österreichische Post AG	Yes
BELGIUM	Melexis NV	Yes
BRITAIN	Victrex Plc	Yes
DENMARK	Novo Nordisk A/S	Yes
FINLAND	Nokian Renkaat OYJ	Yes
FRANCE	Hermes International SA	Yes
GERMANY	Rational AG	Yes
ITALY	Moncler SpA	Yes
NETHERLANDS	ASML NV	Yes
NORWAY	Salmar ASA	Yes
SPAIN	Zardoya Otis SA	Yes
SWEDEN	BioGaia AB	Yes
SWITZERLAND	Partners Group AG	Yes
USA	SEI Investments	Yes
AUSTRALIA	Cochlear Ltd	Yes
JAPAN	Pigeon Corp	Yes
SOUTH KOREA	Naver	Yes
CHINA	Anta Sports Products Ltd	Yes

All Excellence Award winners addressed Corporate Social Responsibility issues. None of the winners were excluded from the investment universe of the Norwegian Government Pension Fund due to irresponsible business activities.

Global Winners – All of the Excellence Award Winners have focused business model with even split between B2B and B2C model



Region	Company	Number of industry groups focused on	Industry Group
TOP Europe	Rational AG	1	Capital Goods
TOP World	SEI Investments	1	Diversified Financials
AUSTRIA	Oesterreichische Post AG	1	Transportation
BELGIUM	Melexis NV	1	Semiconductors & Semiconductor Equipment
BRITAIN	Victrex Plc	1	Materials
DENMARK	Novo Nordisk A/S	1	Pharmaceuticals, Biotechnology & Life Sciences
FINLAND	Nokian Renkaat OYJ	1	Automobiles & Components
FRANCE	Hermes International SA	1	Consumer Durables & Apparel
GERMANY	Rational AG	1	Capital Goods
ITALY	Moncler SpA	1	Consumer Durables & Apparel
NETHERLANDS	ASML NV	1	Semiconductors & Semiconductor Equipment
NORWAY	Salmar ASA	1	Food, Beverage & Tobacco
SPAIN	Zardoya Otis SA	1	Capital Goods
SWEDEN	BioGaia AB	1	Pharmaceuticals, Biotechnology & Life Sciences
SWITZERLAND	Partners Group Holding AG	1	Diversified Financials
USA	SEI Investments	1	Diversified Financials
AUSTRALIA	Cochlear Ltd	1	Health Care Equipment & Services
JAPAN	Pigeon Corp	1	Household & Personal Products
SOUTH KOREA	Naver	1	Media & Entertainment
CHINA	Anta Sports Products Ltd	1	Consumer Durables & Apparel



2019 Winners have even split of business model.

All of the Excellence Award winners have focused business models and predominantly operate only in one industry group.

Global Winners – Majority of the Excellence Award Winners operate in sectors, where regulatory environment is not very tight



Region	Company	Highly-regulated sector
TOP Europe	Rational AG	No
TOP World	SEI Investments	Yes
AUSTRIA	Österreichische Post AG	Yes
BELGIUM	Melexis NV	No
BRITAIN	Victrex Plc	No
DENMARK	Novo Nordisk A/S	Yes
FINLAND	Nokian Renkaat OYJ	No
FRANCE	Hermes International SA	No
GERMANY	Rational AG	No
ITALY	Moncler SpA	No
NETHERLANDS	ASML NV	No
NORWAY	Salmar ASA	Yes
SPAIN	Zardoya Otis SA	No
SWEDEN	BioGaia AB	Yes
SWITZERLAND	Partners Group AG	Yes
USA	SEI Investments	Yes
AUSTRALIA	Cochlear Ltd	Yes
JAPAN	Pigeon Corp	Yes
SOUTH KOREA	Naver	No
CHINA	Anta Sports Products Ltd.	No

11 out of 20 Excellence Award winners are from sectors, where regulation is not especially tight; however, 9 of them - Österreichische Post AG (Industrial: Transportation), Novo Nordisk A/S, BioGaia AB (Health Care: Pharmaceutical), Salmar (Consumer Staples: Food), Cochlear (Health Care: Medical Equipment), Pigeon (Consumer Staples: Household&Personal Products), Partners Group and SEI Investments (both Financial sector) operate in highly-regulated sectors.

Global Winners - The Excellence Award Winners were growing predominantly organically



Growth Quality of the Excellence Award Winners 2019

Country	Company	Acquisition Costs in Relation to Capital Expenditures*
TOP Europe	Rational AG	0.00%
TOP World	SEI Investments	22.70%
AUSTRIA	Oesterreichische Post	2.03%
BELGIUM	Melexis NV	0.00%
BRITAIN	Victrex Plc	8.34%
DENMARK	Novo Nordisk A/S	0.00%
FINLAND	Nokian Renkaat OYJ	5.71%
FRANCE	Hermes International SA	20.34%
GERMANY	Rational AG	0.00%
ITALY	Moncler SpA	0.00%
NETHERLANDS	ASML NV	70.71%
NORWAY	Salmar ASA	0.60%
SPAIN	Zardoya Otis SA	113.24%
SWEDEN	BioGaia AB	34.56%
SWITZERLAND	Partners Group AG	57.31%
USA	SEI Investments	22.70%
AUSTRALIA	Cochlear Ltd	28.35%
JAPAN	Pigeon Corp	3.30%
SOUTH KOREA	Naver	16.27%
CHINA	Anta Sports Products Ltd	9.59%

The Excellence Award winners have predominantly favored organic growth, with exception of ASML NV (Netherlands) and Zardoya Otis (Spain)

*Average figure for the last 5 years

Global Winners – More than half of the Excellence Award Winners CEOs were with their companies for 5 or more years



Management Quality of the Excellence Award Winners 2019

Region	Company	CEO Level*	CEO Tenure (in years)	BoD Meeting Frequency (in a year)
TOP Europe	Rational AG	2	5	12
TOP World	SEI Investments Ltd	1	22	7
AUSTRIA	Oesterreichische Post AG	2	10	8
BELGIUM	Melexis NV	1	8	9
BRITAIN	Victrex Plc	1	2	9
DENMARK	Novo Nordisk A/S	2	2	7
FINLAND	Nokian Renkaat OYJ	1	1.5	12
FRANCE	Hermes SA	2	6	9
GERMANY	Rational AG	2	5	12
ITALY	Moncler SpA	1	16	No information
NETHERLANDS	ASML NV	2	6	8
NORWAY	Salmar ASA	1	1	14
SPAIN	Zardoya Otis SA	1	7	No information
SWEDEN	BioGaia AB	2	1	13
SWITZERLAND	Partners Group AG	1	6	5
TOP USA	SEI Investments	1	22	7
TOP AUSTRALIA	Cochlear Ltd	2	1	8
TOP JAPAN	Pigeon Corp	2	0*	9
TOP SOUTH KOREA	Naver	1	2	No information
TOP CHINA	Anta Sports Products Ltd	1	12	7

The Excellence Award winners are run by CEOs with relevant education and/or experience. 12 out of 20 have tenure of 5 or more years.

*Pigeon Corp (TOP Japan) has a new CEO since April 2019.

CEO classification based on "Hérens Quality CEO Study":

Level 1: Founder and/or relevant education and experience in Business core processes (e.g. product development, design)

Level 2: Deep industry experience in other core functions than the core processes (e.g. marketing, operations)

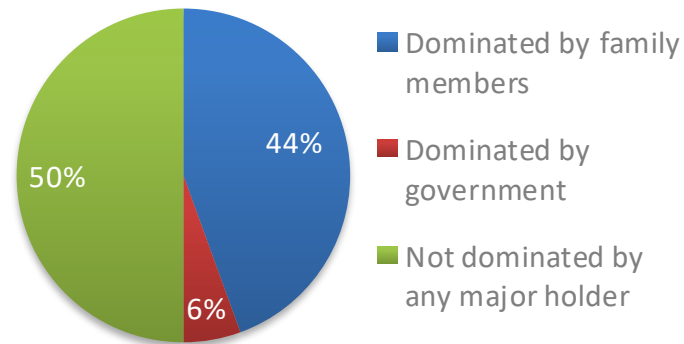
Level 3: Background in support functions (e.g. Legal, Finance, HR) or in different industry

Sources: Hérens Quality Asset Management, Thomson Reuters, Annual Reports of the companies

Global Winners – Half of the Excellence Award Winners do not have dominant ownership structure



Ownership Structure* of Global Quality Winners 2019 Quality Winners



The majority of the Excellence Award Winners have ownership structure that is not dominated by family members/founders or government (50%).

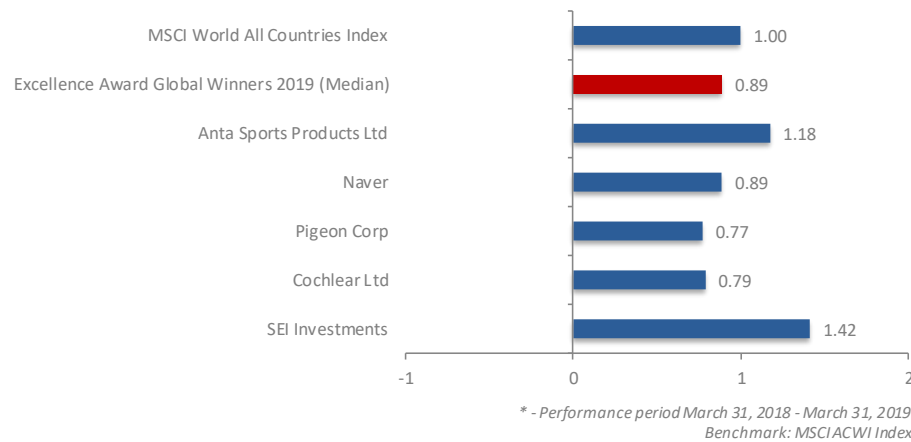
* Dominated by family members: family members hold at least 25% of share capital/voting rights in the company.
Dominated by government: government holds at least 25% of share capital/voting rights in the company.

Global Winners – Excellence Award Global Winners have Beta below market median

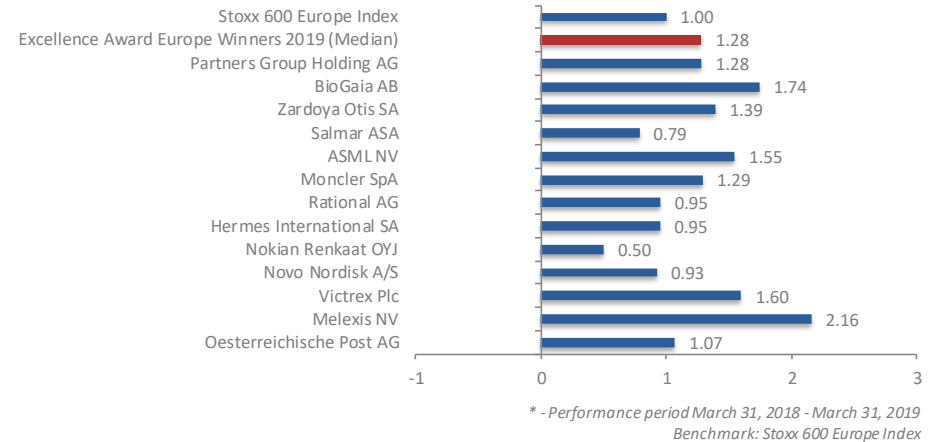


Risks Metrics of the Excellence Award Winners 2019

Annualized Beta (EUR)*



Annualized Beta (EUR)*



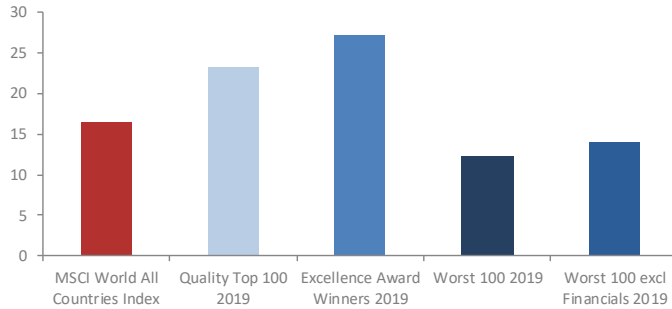
Beta of Excellence Award Global Winners (Median) was below MSCI World All Countries Index (except for Anta Sports Products and SEI Investments), while in Europe, beta of Excellence Award Winners (Median) was above Stoxx 600 Europe Index.

Valuation Comparison of Global Companies vs. MSCI All Countries World Index



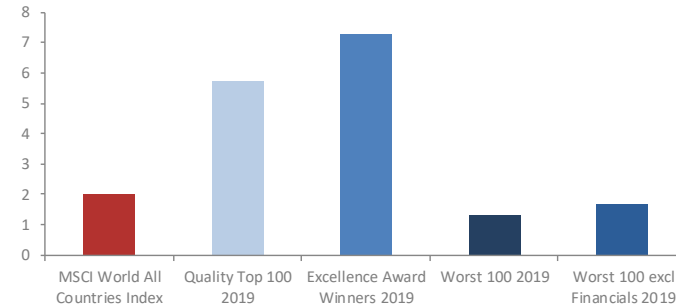
Price to Earnings Comparison*

Price to Earnings Comparison*



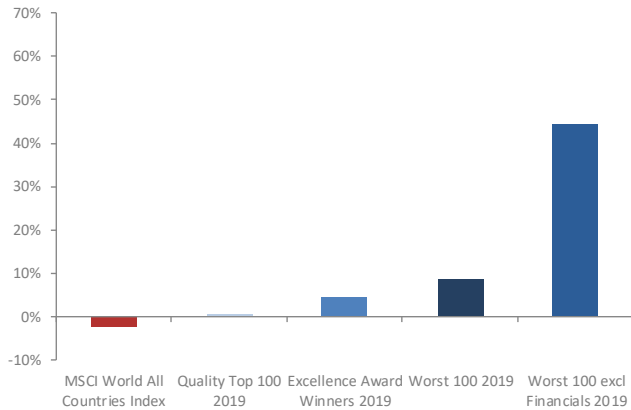
Price to Book Comparison*

Price to Book Comparison*

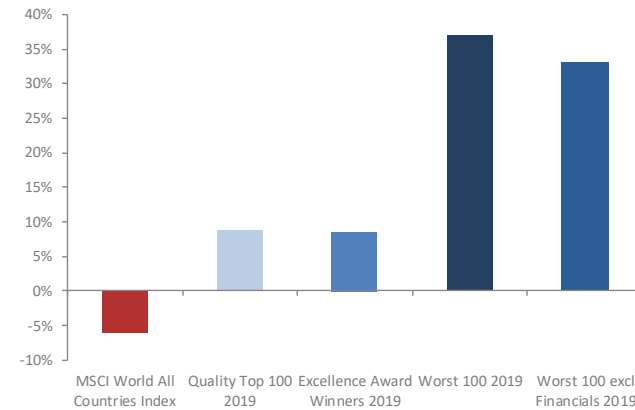


Relative Changes in Price to Earnings from 31.03.2018 to 31.03.2019

om



Relative Changes in Price to Book from 31.03.2018 to 31.03.2019



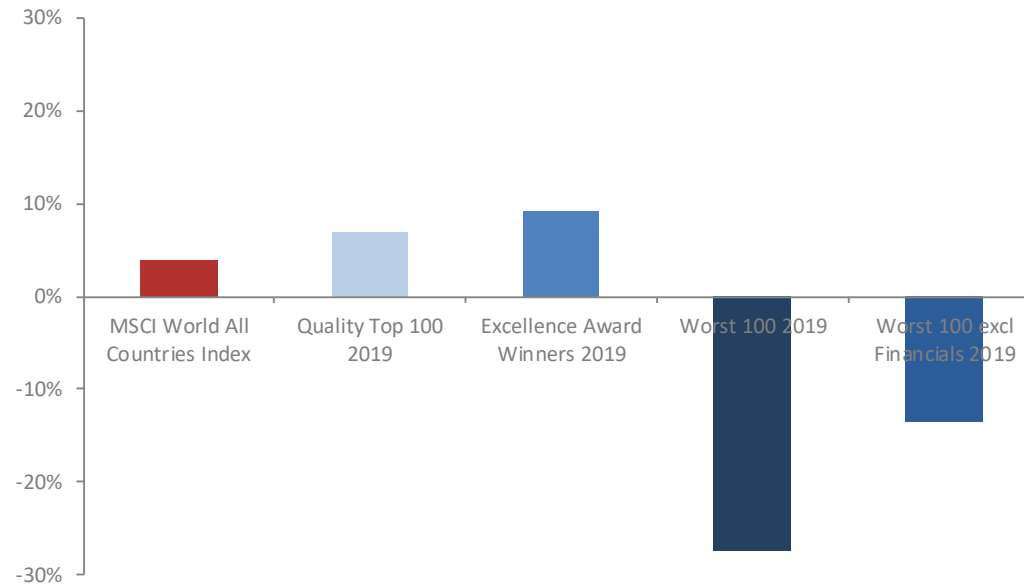
* Median Value

Sources: Hérens Quality Asset Management, Thomson Reuters

Comparison of Growth in Earnings per Share of Global Quality Companies vs. MSCI World All Countries Index



Earnings per Share Growth Comparison
from 31.03.2017 to 31.03.2018



Excellence Award Winners 2019 recorded slightly higher Earnings per Share growth both if compared to Quality Top 100 and the overall market. Growth in Earnings per Share of Quality Top 100 was also superior to the market.

Drop in Earnings per Share within Worst 100 companies was largely because of companies coming from the Financial sector. When Financial sector is excluded, magnitude of the decline in Earnings per Share is smaller.

* Median Value

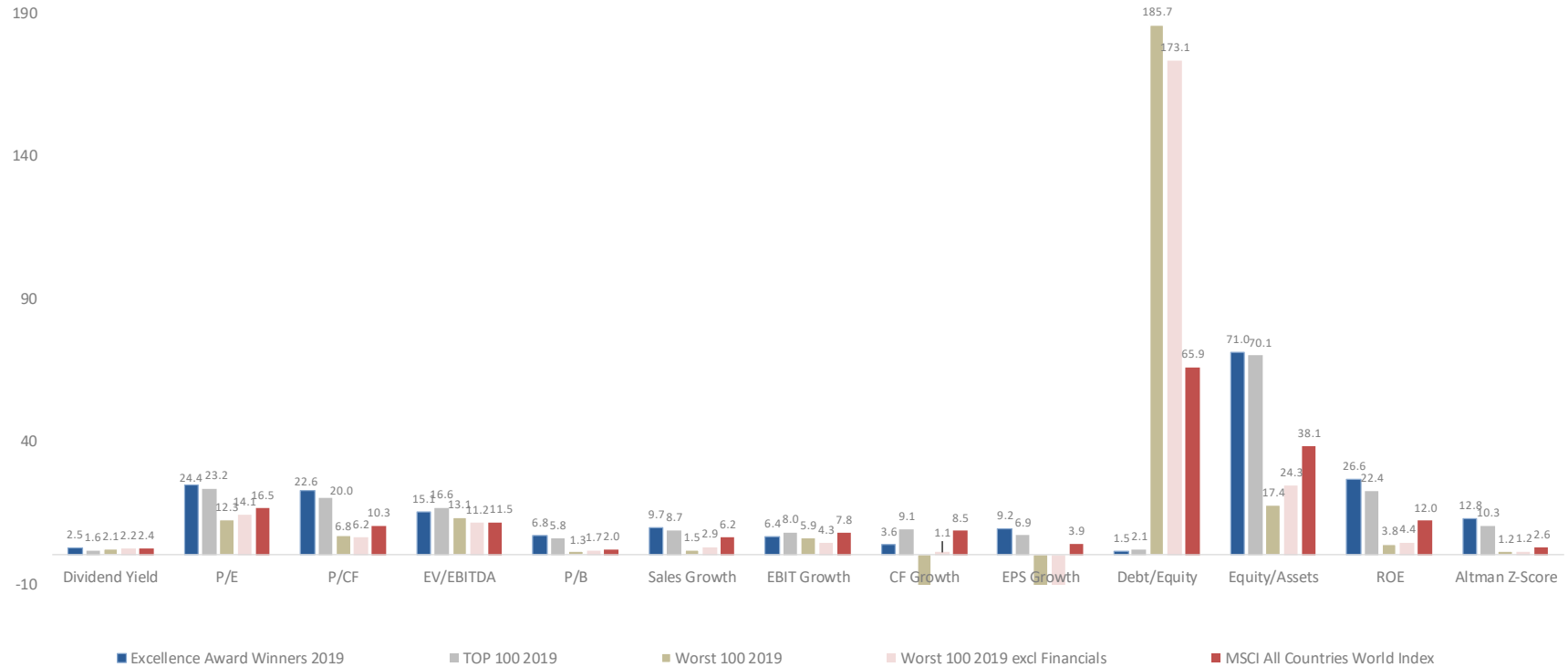
Sources: Hérens Quality Asset Management, Thomson Reuters

© 2019 Hérens Quality Asset Management AG

Global Fundamental Characteristics 2019



Fundamental Characteristics as of 31.03.2019



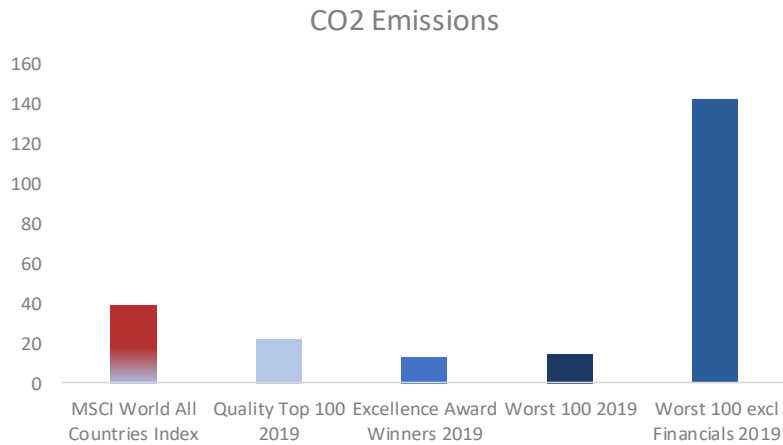
These results DO NOT REPRESENT AND SHOULD NOT BE VIEWED AS INVESTMENT RECOMMENDATIONS since the Excellence Award is focused solely on corporate quality and as such does not take companies' valuations into consideration.

ESG Analysis of CO₂ Emission Exposure of Global Quality Companies vs. MSCI World All Countries Index

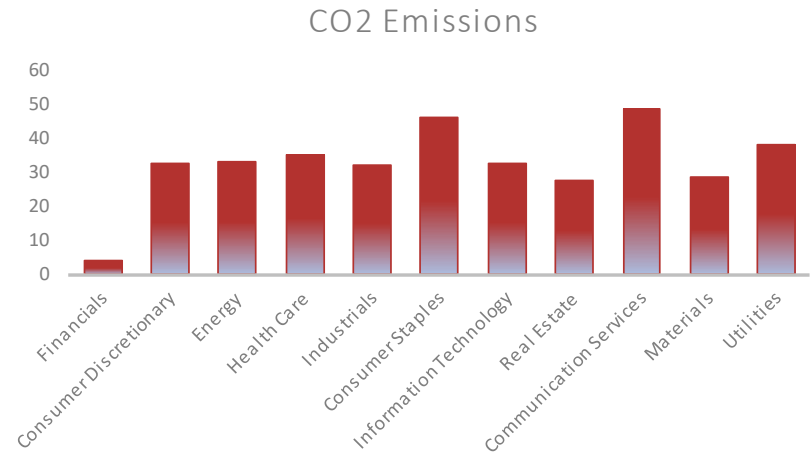


Comparison of CO₂ – Intensity (CO₂ Emission in tons / Sales in mn USD) of the Excellence Award Winners 2019

CO₂ Emission (in tons) / Sales (in mn USD) Excellence Award 2019 Comparison*



CO₂ Emission (in tons) / Sales (in mn USD) Comparison by MSCI ACWI Index Sectors*



Excellence Award Winners 2019 had better CO₂ Emission score than market and Quality Top 100 companies. From market sector's perspective: sectors with best CO₂ emission score are Financials, Real Estate and Materials, while the worst in Communication Services and Consumer Staples sector.

* Median Value

Sources: Hérens Quality Asset Management, Thomson Reuters

Vast Majority Global and European Winners are Market leaders with strong market positions



Global and European Winners Market Position

Region	Company	Comment
Top Global	SEI Investments	Manages or administers \$860.6 billion by serving ~8,900 clients in the United States, Canada, the United Kingdom, continental Europe, South Africa and East Asia
UNITED STATES	SEI Investments	Manages or administers \$860.6 billion by serving ~8,900 clients in the United States, Canada, the United Kingdom, continental Europe, South Africa and East Asia
AUSTRALIA	Cochlear Ltd	Global leader in implantable hearing solutions with 60% market share
JAPAN	Pigeon Corp	Top domestic provider of baby and child care products and services (roughly 80% share of the Japanese nursing bottle and nipples market)
SOUTH KOREA	Naver Corp.	The company dominates the search market and maintains close to an 80% market share in Korea.
CHINA	Anta Sports Products Ltd.	Leading domestic sportswear company in China (its consumer base c.400mn people in China).
TOP Europe	Rational AG	Global market leader in thermal food preparation products for industrial kitchens (50% market share)
AUSTRIA	Österreichische Post AG	In Austrian parcel market Post AG has 32% market share in B2B segment and 58% in B2C/C2C segment.
BELGIUM	Melexis NV	Among TOP 5 chip suppliers to automotive industry globally. Each new car produced today, wherever in the world, contains an average of 10 Melexis chips.
BRITAIN	Victrex Plc	World leader in high performance polymer solutions – supplies 80% of the PEEK (polyaryletheretherketone) polymer world market
DENMARK	Novo Nordisk A/S	World's nr. 1 diabetes care company with 27% value market share and 47% volume insulin market share;
FINLAND	Nokian Renkaat OYJ	A niche player with very strong market position in Europe and especially in key markets Nordics and Russia where it is undisputable leader (>20% share).
FRANCE	Hermes International SA	Leading position in the most profitable product category (leather goods & saddlery); European 3 rd largest luxury group after LVMH and Richemont
GERMANY	Rational AG	Global market leader in thermal food preparation products for industrial kitchens (50% market share)
ITALY	Moncler SpA	Niche player in global luxury market
NETHERLANDS	ASML NV	~85% market share in semiconductor lithography market
NORWAY	Salmar ASA	Second largest player of farmed Atlantic salmon globally with ~7% market share
SPAIN	Zardoya Otis SA	Otis, that controlled by United Technologies, is the world's largest manufacturer and maintainer of people-moving products, including elevators, escalators and moving walkways (10% market share).
SWEDEN	BioGaia AB	In a cluttered market, BioGaia is one of the market leaders with 6% share (#6 on the market, Sanofi is #1 with close to 16% share).
SWITZERLAND	Partners Group AG	One of the leading players (1.5-2% market share)

Sources: Hérens Quality Asset Management, Thomson Reuters

Hérens Quality Asset Management is the PIONEER of
international Quality Investments



Who is Hérens Quality AM? Pioneer for Systematic Quality Investments With a Successful Track Record of Almost 15 Years



Hérens Quality Asset Management is a highly entrepreneurial and solutions-oriented investment management boutique focused on Quality investments

Hérens Quality ASSET MANAGEMENT Team



&

Hérens Quality RESEARCH Team



- Pioneer for systematic, international Quality Investments
- Disciplined, focused, transparent Quality investment approach
- All investment decisions are made solely by our Investment Committee
- Since inception, an annualized alpha has been achieved in every region
- Since 2008 we are regulated by FINMA (Swiss Financial Market Supervisory Authority) as an asset management for collective investment schemes

- Since 2004 operating own Research Center in Riga (Latvia), with an exclusive focus on fundamental Quality Research
- Analytical backbone of Hérens Quality AM and the research power behind customized investment solutions
- Stable and highly motivated team of 10 employees, specialized in the field of fundamental Quality research
- In addition to regular Corporate Excellence analysis the team also provides ad-hoc market research as well as various research projects and publications

Disclaimer

This document may contain confidential information that is not intended for third parties. If you are not the intended recipient of this document, you must not publish or pass on its content in any way. This document is for information purposes only and constitutes neither an offer nor a recommendation to undertake any type of transaction or to buy or sell securities or financial products in the broadest sense. Hérens Quality Asset Management AG offers no guarantee of the completeness, correctness or security of this document. Hérens Quality Asset Management AG accepts no liability claims that might arise from the use or non-use of the content of this document.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com)