

## TRANSACTION RATIONALES

### Sells/reductions

#### AspenTech: Taking profit

We take profit in AspenTech as the expected pick-up in growth of the company gets delayed further despite the improved fundamentals of the businesses sectors that AspenTech sells to (oil & chemicals). That raises questions regarding some of the base assumptions of our investment case. The muted reaction of the market to the upgraded outlook the company announced yesterday confirms our doubts regarding the company's growth outlook.

What's more, we do not find rational for the proposed reverse take-over from Emerson very convincing and the merged company under control of Emerson will be quite different from the one we invested in originally. In addition, when looking at the growth challenges AspenTech faces in its original business, the merger may turn into an unwelcomed distraction. The latest interactions with management could not clear those doubts. Last but not least, the company's appetite for further acquisitions also adds M&A risk. Therefore, we sell AspenTech and wait for opportunities to re-invest the sales proceeds.

#### Chart since inception: Aspen vs. the MSCI World and the Sector



Source: Bloomberg  
Total return in USD  
Data range: 03.03.2020 – 27.01.2022  
Note: past performance is not a reliable indicator of future results

#### McCormick: Sell

We take profit in McCormick after the rise in the stock after today's quarterly report as valuation looks increasingly stretched after we had to reduce our growth estimates over the past months. While the company grows faster than other food companies, its premium multiple and the strong rebound of the stock price in recent months make the shares vulnerable in an environment where investor are favoring lower priced stocks.

Therefore, we sell McCormick into strength and wait for opportunities to re-invest the sales proceeds.

#### Chart since inception: McCormick vs. Sector & MSCI World:



Source: Bloomberg  
Total return in USD  
Data range: 03.09.2019 – 27.01.2022  
Note: past performance is not a reliable indicator of future results

With kind regards,

**Emerald Wealth Partners AG**, Investment Office

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