

## Wuthrich & Co. Febraury 2019 Newsletter

Wil Wuthrich, President, B.Sc., MBA: Over twenty-six years as an equity analyst and portfolio manager with Standard Life, Van Berkomp & Associates and Wuthrich & Co.

### *Monthly Message*

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The Wuthrich & Co. Composite was up 8.2% in February. This compares with the S&P/TSX up 3.1% and the BMO Small Cap Index up 3.5%.

The Wuthrich & Co. Portfolio has now gained 28% from its low on Dec. 24, 2018 bringing us back to about where we were at the end of September of 2018. The clients who heeded our call to put in additional money have certainly benefitted from a strong bounce-back. Then, as now, the portfolio wasn't terribly expensive. So, the good news is that we see more potential for good returns in the long-term.

We have made a few changes to the portfolio recently. We have eliminated our positions in ZCL Composites and CBIZ Inc. ZCL, you may recall, is being taken over by Shawcor Ltd. and CBIZ simply hit our valuation parameters. This has raised cash somewhat but we have already started to plow the money back into other ideas.

Lastly, we have eliminated the 514-868-2112 phone number. In the future, please reach us by contacting Jean-Francis Archambault at 514-924-4438 or Wil Wuthrich at 514-487-3782.

*The following table illustrates the performance of the Wuthrich & Co. Composite to the present:*

(Unaudited, since Sep.30/01)\*

|                            | <u>MONTH</u> | <u>1YR</u> | <u>3YR</u> | <u>5YR</u> | <u>10YR</u> | <u>15YR</u> | <u>INCEPTION</u> |
|----------------------------|--------------|------------|------------|------------|-------------|-------------|------------------|
| <u>WUTHERICH &amp; CO.</u> | 8.2%         | 11.0%      | 11.0%      | 0.6%       | 10.9%       | 8.5%        | 11.6%            |
| <u>BMOSCI-WTD</u>          | 3.5%         | -1.8%      | 9.5%       | 1.0%       | 10.6%       | 5.1%        | 8.0%             |
| <u>S&amp;P/TSX</u>         | 3.1%         | 6.9%       | 10.8%      | 5.5%       | 10.2%       | 7.0%        | 7.8%             |

Please note that the Wuthrich & Co. Composite is reported **AFTER FEES**.

# Wutherich & Co. Factsheet

## Company Objective

Our goal is to seek prosperity for our clients through participation in stable, growing companies in North America, led by strong management teams that we consider our partners for the next five or more years.

## Investment Philosophy

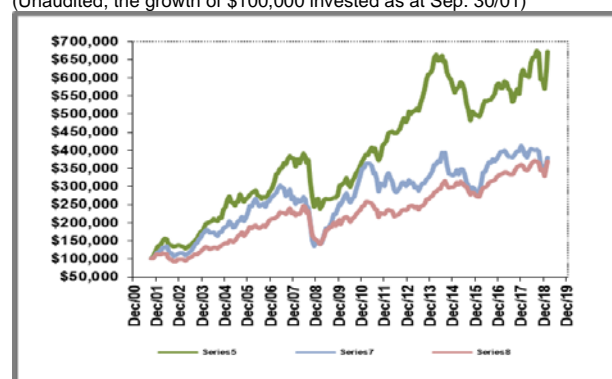
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in the portfolio is on the equity of small to medium capitalization companies, defined roughly as \$50 million to \$5 billion in market capitalization. The portfolio may include large capitalization companies if the right elements are there. Stocks are bought with a keen eye to valuation, so you're not likely to find many high multiple stocks here. The portfolio will likely maintain a significant percentage in foreign securities, providing exposure to investment returns outside of Canada.

## Portfolio Composition

|                          |               |
|--------------------------|---------------|
| <b>CANADIAN STOCKS</b>   | <b>88.86%</b> |
| • ENERGY                 | 6.54%         |
| • FINANCIALS             | 17.92%        |
| • INFORMATION TECHNOLOGY | 19.20%        |
| • COMMUNICATIONS         | 0%            |
| • CONSUMER               | 0%            |
| • HEALTHCARE             | 10.07%        |
| • INDUSTRIALS            | 27.70%        |
| • MATERIALS              | 0%            |
| • TELECOM                | 0%            |
| • UTILITIES              | 0%            |
| • OTHER                  | 7.44%         |
| <b>U.S. STOCKS</b>       | <b>5.05%</b>  |
| • TECHNOLOGY             | 5.05%         |
| <b>CASH AND OTHERS</b>   | <b>6.09%</b>  |

## Performance

(Unaudited, the growth of \$100,000 invested as at Sep. 30/01)\*



## Your account with us

Wutherich & Company is an independent investment counsellor. We do not hold assets for our clients, but simply exercise trades over your account as per an agreed upon investment policy statement and portfolio management agreement. Your account is held at [National Bank Correspondent Network](#) in your name. Withdrawals from that account can only be sent to you at your designated bank account and/or address of record. Wutherich & Co. may also do withdrawals from your account to satisfy any fees that may apply to your account. All accounts are cash accounts. Unlike hedge funds, we do not use leverage or derivatives to manage your money. Also, we are not a fund company – if you are a private investor with us, your account will mirror the Model Portfolio but your investments are not pooled.

## Other Facts

- Annual fees are 1.5% of assets on a quarterly basis in arrears, plus applicable taxes
- Any commissions, custodial or brokerage fees are in addition to the annual fees
- Clients qualifying for an institutional account would be charged 1.5% for the first \$1 million, 1.0% from over \$1 to 10 million and 0.5% for the next \$40 million
- Fees on any accounts over \$50 million would be subject to negotiation
- Minimum account size is \$250,000
- Investments are 100% RSP eligible

\*The Wutherich & Co. performance shown here (using the Time Weighted Rate of Return method) is of a composite which combines the performance of all of the accounts managed by Wutherich & Co. that have been invested according to the Wutherich & Co. Portfolio throughout their history. These accounts vary greatly in the size of assets that they contain and whether or not fees have been deducted directly from the accounts during their history. BMOSCI-wtd = BMO Small Cap Index, Total Return, weighted. This index is currently the most comparable to the Wutherich & Co. portfolio due to its average market capitalization, though it may differ greatly in its sector weightings; TSX = S&P/TSX Total Return Index. Due to its large capitalization nature and substantially different sector weightings, this index may not be considered comparable to the Wutherich & Co. Portfolio.