

Wutherich & Co. December 2019 Newsletter

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

Monthly Message

The Wutherich & Co. Composite was up 4.1% in December. This compares with the S&P/TSX up 0.5% and the BMO Small Cap Index up 5.4%.

Happy New Year one and all! Is it too much to ask for 2020 being as good as 2019?

The Wutherich & Co. Composite posted a 31.1% return in 2019, the fifth best result in our company's history. Nice way to end the decade! While we are aware that this return was exceptional for the Canadian small cap space, we are happy that we have been rewarded for the choices we've made. For the last 20 years, we have steadfastly kept to our investment philosophy of concentrated, disciplined, long-term growth stock investing. Though it clearly doesn't work every year, it has worked over time.

This is a time of year when we like to remind our clients to make additional contributions to your RRSPs and TFSAs. Despite a strong year in 2019, we still think the portfolio is relatively cheap. Kudos to those who followed our advice this time last year.

Lastly, we welcome all our clients and friends to celebrate our **20th Anniversary** at our Wutherich & Co. Annual Update to be held at the Mount Stephen Hotel on Thursday January 23rd, 2020. Cocktails 5:30pm. Presentation 6:00pm. RSVP at jf@wutherich.ca or 514-924-4438.

The following table illustrates the performance of the Wutherich & 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 & CO.</u>	4.1%	31.1%	8.5%	5.3%	9.4%	7.8%	11.7%
<u>BMOSCI-WTD</u>	5.4%	19.2%	1.2%	3.9%	4.7%	5.1%	7.9%
<u>S&P/TSX</u>	0.5%	22.9%	6.9%	8.1%	6.9%	7.2%	8.0%

Please note that the Wutherich & 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

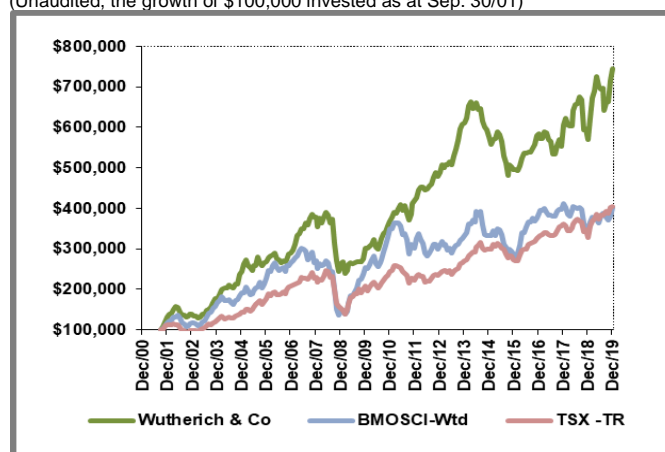
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in 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

CANADIAN STOCKS	92.21%
• ENERGY	5.73%
• FINANCIALS	18.74%
• INFORMATION TECHNOLOGY	22.72%
• COMMUNICATIONS	4.81%
• CONSUMER	0%
• HEALTHCARE	10.83%
• INDUSTRIALS	20.67%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	8.71%
U.S. STOCKS	0.00%
CASH AND OTHER	7.79%

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 Independent 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.