

Wuthrich & Co. December 2020 Newsletter

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

Monthly Message

The Wuthrich & Co. Composite was up 5.0% in December. This compares with the S&P/TSX being up 1.7%.

Happy New Year! Say what you will about 2020, it was certainly interesting. Commentators will come out with their “Best of the Worst Year”, “Worst of the Worst Year” and so on. We’ll skip all of that. For JF and I, I think we can say that we have had a pretty good year in terms of family and business and feel fortunate that this was the case.

We managed to close out 2020 with a gain of 9.4% for the full year. During February and March we had a strong conviction that, as bleak as things looked, the world was not going to end. We committed as much money as we could to the names in our portfolio with the firm belief that most of them would survive the crisis and some would even benefit from it. While the faith of some of our clients was shaken, they were content to stay with us and some even added to their portfolios (shout-out to.....well, you know who you are). We are happy to say that we pulled through 2020 without the marquee names that are driving the major market indexes. I have seen this over and over in my career: when everyone is piling into the same handful of stocks, it is best to look elsewhere for long-term returns. Sure, our portfolio has a few fully priced names in it but there are still some great stories that should help drive returns for years to come.

Just a reminder that JF and I will be hosting a virtual presentation of our “**Wuthrich & Co.’s Annual Update**” on January 27th. Please contact us at jf@wuthrich.ca or 514-924-4438 to get your link to the presentation.

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 & CO.</u>	5.0%	9.4%	10.4%	10.5%	8.2%	7.7%	11.5%
<u>S&P/TSX</u>	1.7%	5.6%	5.7%	9.3%	5.7%	6.0%	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

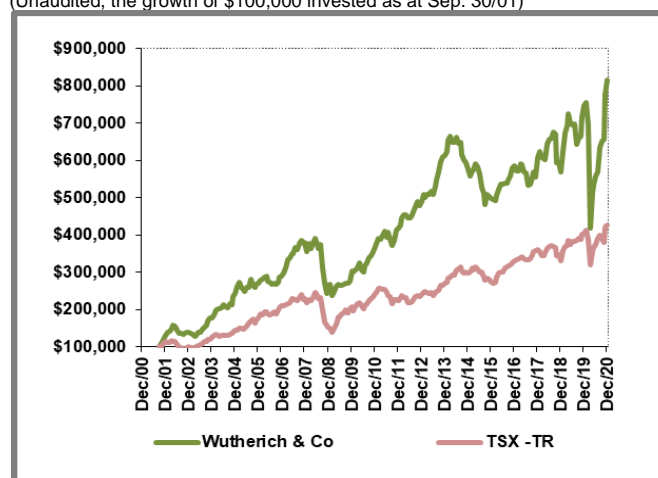
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in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

CANADIAN STOCKS	83.11%
• ENERGY	0.00%
• FINANCIALS	18.09%
• INFORMATION TECHNOLOGY	15.80%
• COMMUNICATIONS	6.04%
• CONSUMER	8.71%
• HEALTHCARE	12.21%
• INDUSTRIALS	13.45%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	8.81%
U.S. STOCKS	15.77%
• CONSUMER DISCRETIONARY	15.77%
CASH AND OTHER	1.12%

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. 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.