

## Wutherich & Co. April 2020 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*

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The Wutherich & Co. Composite was up 22.3% in April. This compares with the S&P/TSX up 10.8% and the BMO Small Cap Index up 23.2%.

As of April 30<sup>th</sup>, we are up 47.5% from our low of March 23<sup>rd</sup> but still down 36.1% from our all-time high on February 19<sup>th</sup>. We have gone from having our very worst month on record in March to our very best in April. Small consolation. We know that we still have a lot of work to do. Furthermore, we understand that it will take a long time for things to normalize. Other severe downdrafts may happen in the markets along the way.

As always, we focus on the health of our individual names. While we have made a few adjustments to the portfolio, most of our names remain the same. These are companies that look like they will survive this crisis in reasonably good shape. Their balance sheets and the strength of their product and service offerings will get them through.

JF and I would like to thank those clients who have been putting money in at this time. Yes, putting money into their accounts. These are clients that share our conviction that times will get better and our companies will benefit from this in the long-term.

*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 &amp; CO.</u>	22.3%	-29.7%	-4.5%	-2.8%	4.6%	4.8%	9.2%
<u>BMOSCI-WTD</u>	23.2%	-15.6%	-6.9%	-1.9%	1.1%	3.6%	6.4%
<u>S&amp;P/TSX</u>	10.8%	-7.9%	1.3%	2.5%	5.0%	6.1%	7.0%

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

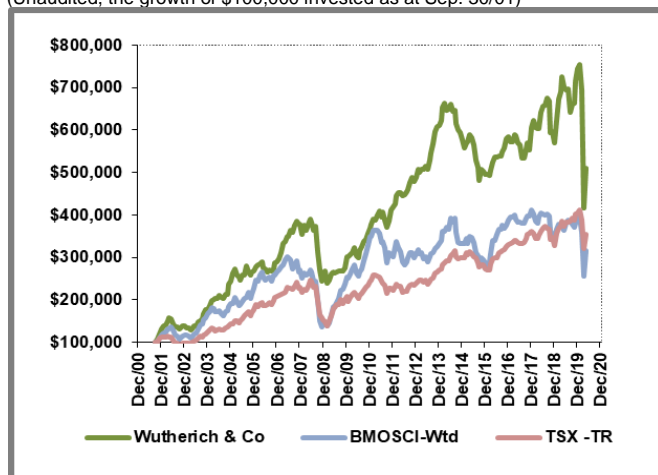
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in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

<b>CANADIAN STOCKS</b>	<b>83.36%</b>
• ENERGY	0.00%
• FINANCIALS	9.75%
• INFORMATION TECHNOLOGY	21.32%
• COMMUNICATIONS	4.52%
• CONSUMER	4.63%
• HEALTHCARE	10.37%
• INDUSTRIALS	23.81%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	8.96%
<b>U.S. STOCKS</b>	<b>8.50%</b>
• CONSUMER DISCRETIONARY	8.50%
<b>CASH AND OTHER</b>	<b>8.14%</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 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.