

## Wuthrich & Co. October 2021 Newsletter

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### *Monthly Message*

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The Wuthrich & Co. Composite was up 2.6% in October. This compares with the S&P/TSX being up 5.0%.

Our companies have started to report again for their most recent quarters. One standout so far has been 1-800 Flowers.com (FLWS-Q). This company operates an e-commerce platform that provides flowers, gift baskets, gourmet foods, seasonal décor and other products in the US. Last year, the pandemic caused people to increase the amount that they shopped online. FLWS benefitted enormously from this trend. Investors then said that this was transient and that, as lives normalized, they would go back to spending money in other ways. The stock drifted down accordingly. FLWS always maintained that some of this shift was permanent vis-a-vis their products and that they would continue to grow regardless of changes caused by the pandemic. Use of their platform for everyday gifting (not just Mother's Day) would remain a permanent part of their customers' habits. Their recently announced first quarter results certainly support their assertions.

FLWS is a great example of the kind of business that we like to invest in. Demand for their service, while it may ebb and flow, is essentially permanent. It is now so well established that it would be very hard to displace. To this robust platform, they can add other products that will allow the company to grow for many years to come, all at very high levels of profitability.

Lastly, we are introducing the 20 year number to our performance table. Like a fine wine, as we get a little older, we get a little better. Cheers to the next 20 years!

*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>5YR</u>	<u>10YR</u>	<u>15YR</u>	<u>20YR</u>	<u>INCEPTION</u>
<u>WUTHERICH &amp; CO.</u>	2.6%	70.9%	15.1%	11.3%	9.9%	12.5%	12.8%
<u>S&amp;P/TSX</u>	5.0%	38.8%	10.6%	8.8%	6.7%	8.6%	8.6%

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

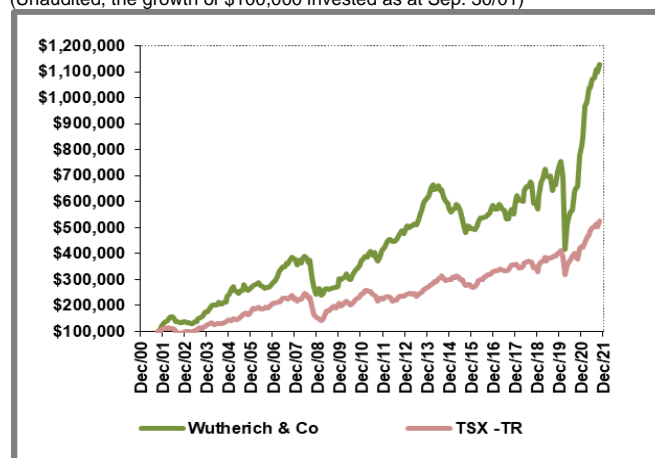
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in 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>76.11%</b>
• ENERGY	9.35%
• FINANCIALS	19.21%
• INFORMATION TECHNOLOGY	13.16%
• COMMUNICATIONS	0%
• CONSUMER	4.82%
• HEALTHCARE	7.52%
• INDUSTRIALS	12.53%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	9.54%
<b>U.S. STOCKS</b>	<b>20.89%</b>
• CONSUMER DISCRETIONARY	20.89%
<b>CASH AND OTHER</b>	<b>3.00%</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. 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.