

Wutherich & Co. December 2022 Newsletter

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

Monthly Message

Happy New Year!

The Wutherich & Co. Composite was up 1.5% in December. This compares with the S&P/TSX being down 4.9%.

The new dance continues with December being another positive month for the Wutherich & Co Composite. We are happy to leave the 2022 Two-Step behind though we have always danced to our own tune.

Our steps are guided by the valuation of the names in our portfolio. Despite a strong finish for us in 2022, we still have some of the cheapest companies that we have ever seen in the portfolio. This should drive returns for years to come. Strategic buyers seem to agree with us as we have had two of our companies taken over this past year. Waterloo Brewing is being bought by Carlsberg which follows Points.com being bought by private equity back in July. More take overs wouldn't surprise us in 2023. Many of our companies' valuations are at a complete disconnect with the prices that they are trading at. Geopolitics and the macro environment may delay the revaluation of some of our companies, but if history is any guide, they will revalue, taking up our returns with them.

This is RRSP season. We strongly encourage our clients to make contributions to their accounts as soon as possible.

Lastly, JF and I would also like to invite you to our Annual Update, taking place at Le Mount Stephen on January 18, "in person" and online. We still have "in person" seats available. Please contact us a 514-924-4438 or jf@wutherich.ca.

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>5YR</u>	<u>10YR</u>	<u>15YR</u>	<u>20YR</u>	<u>INCEPTION</u>
<u>WUTHERICH & CO.</u>	1.5%	-7.3%	10.9%	7.6%	6.8%	10.5%	11.5%
<u>S&P/TSX</u>	-4.9%	-5.8%	6.8%	7.7%	5.4%	8.5%	7.9%

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

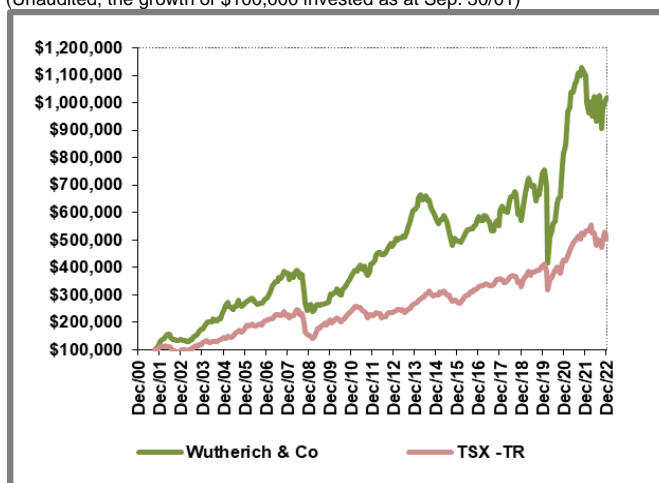
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in 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	85.48%
• ENERGY	16.95%
• FINANCIALS	16.83%
• INFORMATION TECHNOLOGY	10.32%
• COMMUNICATIONS	0%
• CONSUMER	3.77%
• HEALTHCARE	5.34%
• INDUSTRIALS	22.67%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	9.59%
U.S. STOCKS	11.43%
• CONSUMER	11.43%
CASH AND OTHER	3.09%

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.