

Wutherich & Co. October 2023 Newsletter

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

Monthly Message

The Wutherich & Co. Composite was down 0.8% in October. This compares with the S&P/TSX being down 3.2%.

The Wutherich & Company Composite continues to hold up well in an otherwise weak market. The quality of the names in the portfolio, and their excellent value, have supported this performance. A recent example of how this value can surface is the offer that Boston-based Haemonetics (HAE-N) has made to acquire Opsens (OPS-T) for \$2.90 per share. We originally purchased OPS, a Quebec City-based medical device manufacturer, in November of 2017 at about \$1.13 per share and added to the position at prices as low as \$0.57 per share.

Tumult in the world has taken a step up in October causing market participants greater anxiety. At difficult times like these, we always look at the health of the individual companies in our portfolio. For now, there are few indications that they are struggling. Will cracks show if the macro-environment continues to be negative? Of course. However, we believe that most, if not all of them, are well positioned to continue to do well for years to come and drive long-term returns in the process.

Now, it seems early but we are already thinking about year-end and 2024. We will be hosting our Annual Update on January 24, 2024 at the Mount Stephen Hotel, both in person and via ZOOM. Cocktails and hors d'oeuvres at 17:30, presentation at 18:00. Please let us know if you can attend by sending us an email at jf@wutherich.ca or calling at 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>5YR</u>	<u>10YR</u>	<u>20YR</u>	<u>INCEPTION</u>
<u>WUTHERICH & CO.</u>	-0.8%	6.1%	11.8%	5.7%	9.6%	11.2%
<u>S&P/TSX</u>	-3.2%	0.4%	8.0%	6.7%	7.5%	7.6%

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

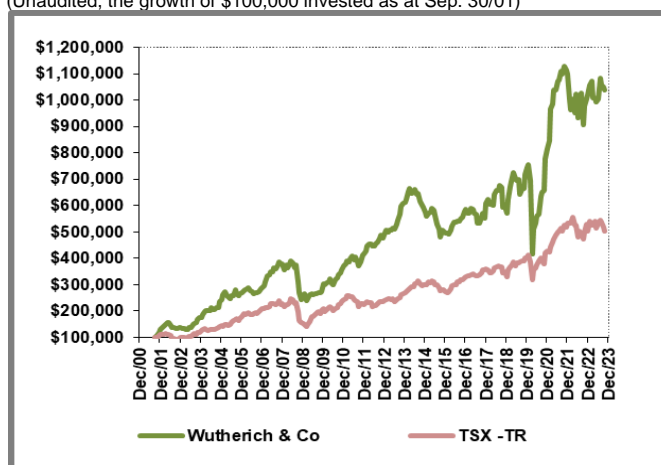
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in 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	89.18%
• ENERGY	15.42%
• FINANCIALS	16.64%
• INFORMATION TECHNOLOGY	12.12%
• COMMUNICATIONS	0%
• CONSUMER	0%
• HEALTHCARE	7.99%
• INDUSTRIALS	23.78%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	13.24%
U.S. STOCKS	7.77%
• CONSUMER	7.77%
CASH AND OTHER	3.05%

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.