

## Wutherich & Co. September 2017 Newsletter

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

### *Monthly Message*

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The Wutherich & Co. Composite was up 3.7% in September. This compares with the S&P/TSX up 3.1%, the BMO Small Cap Index up 2.6%, S&P 500 (US\$) up 2.1%, the DJIA (US\$) up 2.2%, while the NASDAQ (US\$) was up 1.0%.

A second month of positive returns! While two points don't make a trend, we think we are heading in the right direction. The fundamentals continue to look very strong for most of our names, though there are always a few stragglers. We think that the gap between our companies' stock prices and their strong fundamentals will continue to close over the coming years. This should be very supportive of long-term returns for the **Wutherich & Co Portfolio**.

It is that time of year again for our **Wutherich & Co. Annual Update**. This year, we are hosting it at the Mount Stephen Hotel on November 16. For those of you who attended this event a few years ago when it was still the Mount Stephen Club, we hope you enjoy the opportunity to see how it has changed. Cocktails at 5:30pm. Presentation at 6:00pm.

*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>	3.7%	1.3%	-3.4%	3.1%	4.0%	10.0%	11.3%
<u>BMOSCI-WTD</u>	2.6%	4.1%	3.0%	4.7%	3.3%	9.0%	8.9%
<u>S&amp;P/TSX</u>	3.1%	9.2%	4.5%	8.1%	4.1%	9.2%	8.1%

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

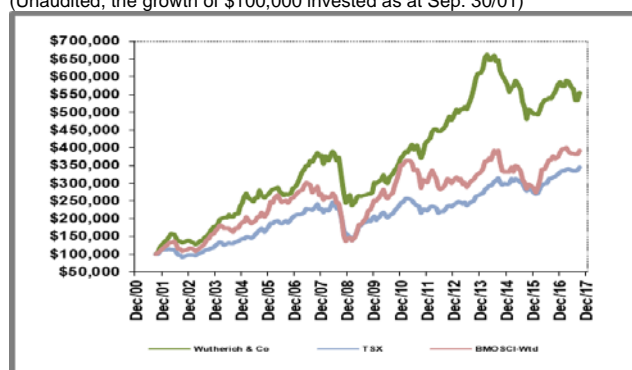
Our style can be described as concentrated, disciplined, long-term growth stock investing. The focus is on established companies that generally have a demonstrated track record in revenue, cash flow or earnings per share growth, with strong managements and solid balance sheets. The current emphasis in 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>75.78%</b>
• ENERGY	10.57%
• FINANCIALS	14.73%
• INFORMATION TECHNOLOGY	16.03%
• COMMUNICATIONS	0%
• CONSUMER	0%
• HEALTHCARE	11.22%
• INDUSTRIALS	18.75%
• MATERIALS	0%
• TELECOM	0%
• UTILITIES	0%
• OTHER	4.47%
<b>U.S. STOCKS</b>	<b>11.43%</b>
• INDUSTRIALS	8.41%
• ENERGY	3.02%
<b>CASH AND OTHERS</b>	<b>12.79%</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 Correspondent 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.