



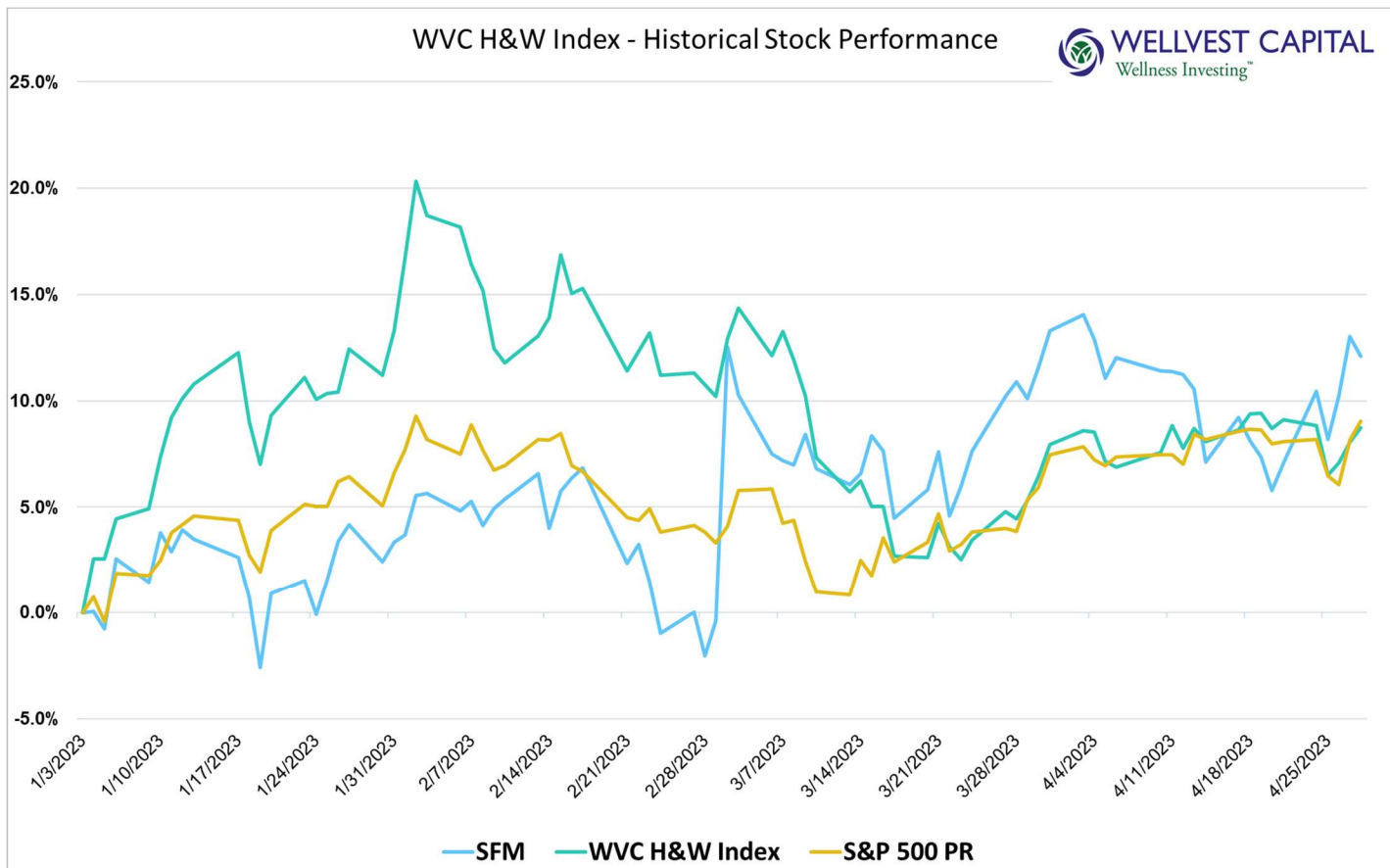
WELLVEST CAPITAL

Wellness Investing™

WELLVEST CAPITAL'S HEALTH AND WELLNESS PUBLIC COMPANY INDEX

The WVC H&W Index 2022

April 2023



HIGHLIGHTS

WVC H&W Index correlation to the S&P500 dramatically increased for first time in the index's history. Australia based health supplement company, Blackmores Ltd., received a \$95 AUD per share take private bid from Japan's Kirin Brewing. This is the first take-private deal this cycle in the WVC H&W Index. If valuations remain compelling more such transactions could be on the horizon.

Last month we said. "...it appears as if the index has found its footing relative to the broader market." Over the last month this theme has continued to play out with the WVC H&W Index correlation to the S&P 500 dramatically increasing to 81% for the month of April versus 57% YTD. We suspect the hot money of the last few years has been washed-out and the sector is now trading based on favorable fundamentals.

RETAILERS AND “MLM” IN FOCUS

The companies in the WVC H&W Index that directly face off with consumers; sector focused retailers and Multi-Level-Marketers (MLM) did well but the underlying components had mixed results YTD. As a group they have positive stock performance and beat the S&P500 by 5.98%. The Asia focused MLM, Natural Health Trends (NHTC) was the outlier with a strong 79.8% YTD return. This outperformance may have been due to a number of technical factors including short covering and the 13% dividend yield. Grocers Sprouts Farmers Market (SFM) and Natural Grocers held their own, generating a positive 7.1% and 18.1% respectively. Excluding NHTC, the MLM’s marked time with a -0.60% return; treading water as group with a mix of winners and losers. USANA Health Sciences (USNA) was the sole winner with a 24.8% return, followed by Herbalife (HLF) at -0.10%, and Nu Skin Enterprises (NUS) - 6.4%. Medifast (MED) was the laggard losing -20.5% YTD. Apparel retailer, Lululemon Athletica (LULU) did not disappoint with a respectable 18.6% gain. Given the inflationary environment and the recent strong earnings by major food and beverage companies driven by price increases; it is interesting to see the volatility in the WVC H&W Index sub-group of retailers. While many factors are at play in any individual company performance, retailers’ ability to pass on price increases may have peaked.

H&W INDEX WINNERS and LOSERS

- Top Five Winners
 - WW International (WW) 116.3%
 - Natural Health Trends (NHTC) 79.8
 - Basic-Fit (BFIT) 62.4
 - RiceBran Technologies (RIBT) 44.6
 - BellRing Brands (BRBR) 40.4

- Top Five Losers
 - Honest Company (HNST) -44.9%
 - Blue Apron (APRN) -33.1
 - United Natural Foods (UNFI) -29.6
 - Medifast (MED) -20.6
 - Chewy (CHWY) -16.4

Data sources: Pitchbook
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