



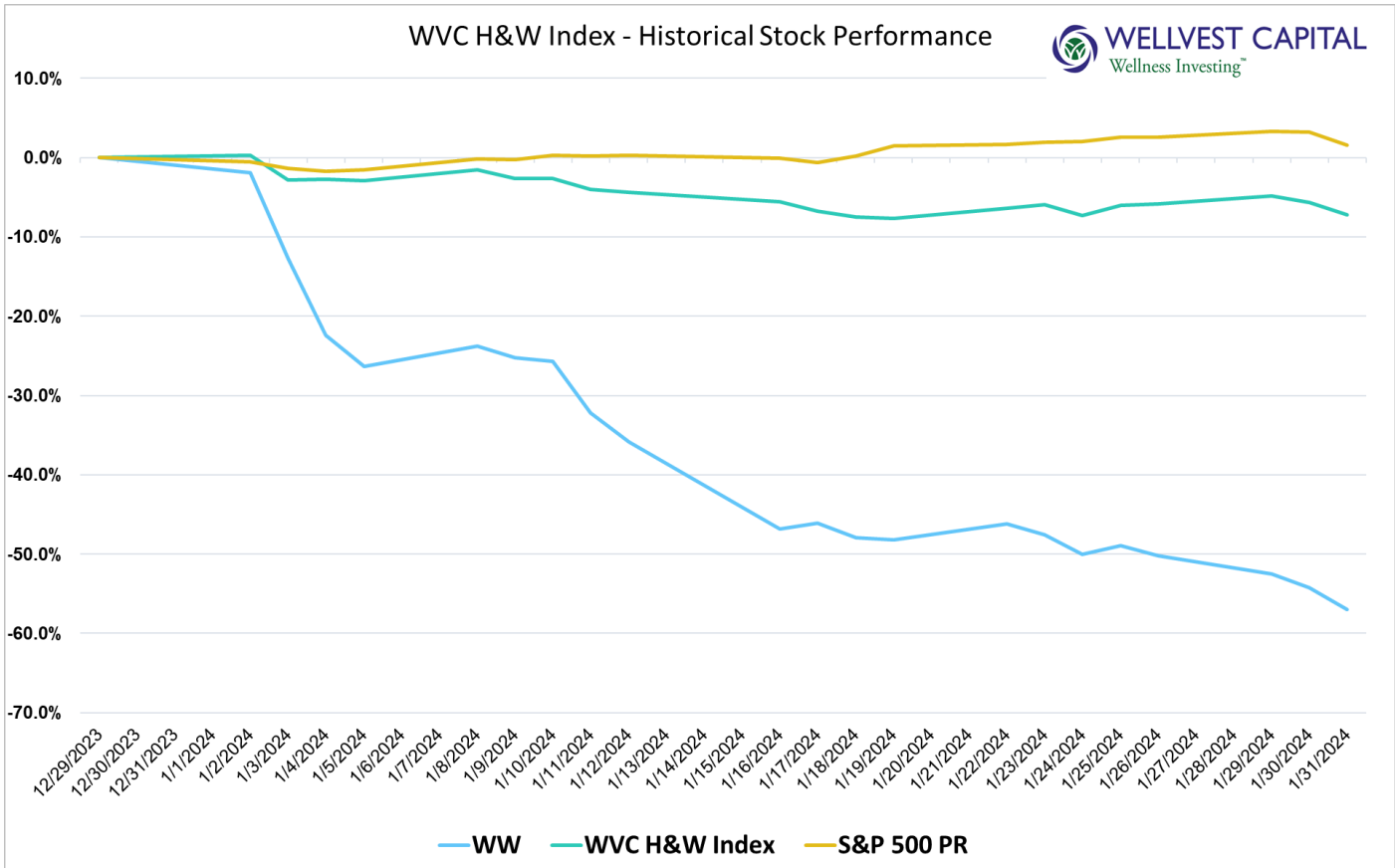
WELLVEST CAPITAL

Wellness Investing™

WELLVEST CAPITAL'S HEALTH AND WELLNESS PUBLIC COMPANY INDEX

The WVC H&W Index 2024

January 2024



HIGHLIGHTS

It's been an interesting start to 2024. The S&P500 came out of the gate down for the first six trading days of the year only to rally into month end to close with a 1.59% gain, excluding dividends. The Wellvest H&W Index stumbled out of the box and never regained its footing resulting in a loss of 7.21 for the month, excluding dividends. A contrarian would believe that the WVC H&W Index is due for an upswing, as the index was down YTD every day in January except the first trading day of the month.

Which way do we go from here? Will the robust macro-economic performance keep the Fed on pause longer than expected? Will the “no landing” story offset the “rate cut” story? For companies in The WVC H&W Index, moving away from the “story” drivers; *plant-based, GLP-1, sustainable*; to generating good-old-fashioned consistent profits and unit volume growth will do more to reignite long term stock gains.

MOVING THE GLP-1 DECK CHAIRS

The potential impact of “GLP-1” drugs (i.e., Ozempic®, Wegovy®) has been widely reported in the mass and financial media. In 2023 this spiked the stock prices of anything and everything that provided exposure, including pharmaceutical companies, telemed providers and WW International (WW) (better known as Weight Watchers). In early January, Eli Lilly (LLY) announced “LillyDirect”, an online platform that provides streamlined access for consumers to GLP-1 drugs. This undercut the investment thesis that had pushed WW to a 127% gain in 2023, resulting in WW crashing to a 57.0% loss for the month of January. Conversely, LLY continues to march higher into nosebleed territory, ending the month at a 65x EV/EBITDA valuation. If these drugs do become the elusive “silver bullet” that so many are claiming, the implications are far reaching, and will heavily influence healthcare, pharma, food/beverage, supplements, fitness, and even fashion. Heading deeper into 2024 keep an eye on this rapidly evolving situation.

H&W INDEX WINNERS and LOSERS - YTD

- Top Five Winners
 - Beachbody (BODY) 28.0%
 - SunOpta (SOY) 9.7
 - Natural Health Trends (NHTC) 8.2
 - Sprouts Famers Market (SFM) 4.7
 - DSM Firmenich (DSFIR) 4.5

- Top Five Losers
 - WW International (WW) -57.0%
 - Beyond Meat (BYND) -25.6
 - Chewy (CHWY) -24.6
 - Herbalife Nutrition (HLF) -21.0
 - Bowflex (BFX) -20.8

Data sources: Pitchbook
Copyright: Wellvest Capital 2024