

Equally Invested™

Our uniquely managed funds, fee transparency, and exceptional personal service allow our clients to maximize asset growth, focus on long-term objectives, and have a better understanding of where their money is invested and why.

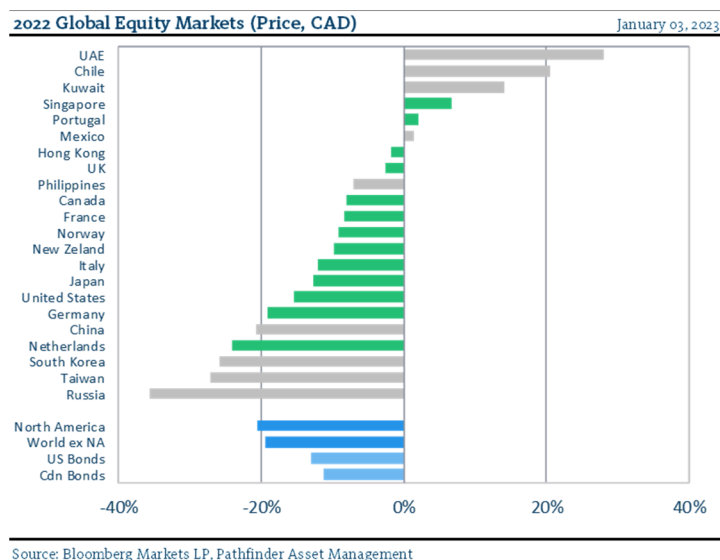
我们独特管理的基金、费用透明性、出色的个人服务为客户实现了资产增长最大化的长远目标，并帮助客户更好地了解自己的资金投向何处以及投资原因。

JANUARY 2023 (2023 年 1 月)

From the reader's perspective, this document should be read in conjunction with the “Pathfinder Portfolio Management Overview” report released on January 6th, 2023, which explains our overall portfolio management process and investment thesis. Please follow this link [here](#) for a copy of the report if you have not seen it yet.

从读者的角度来看，本文应与 2023 年 1 月 6 日发布的“Pathfinder 投资组合管理概述”报告一起阅读，该报告解释了我们整体投资组合管理流程和投资论点。如果您还未读过报告，请单击[此处](#)的链接获得报告副本。

As we noted in our Portfolio Management Overview released earlier this month, 2022 was another historic year for global equity markets. Most markets finished the year lower than they started. We republish the chart to the right that was released in our Portfolio Management Overview. The countries are sorted from highest to lowest in terms of CAD return for comparability. The green bars show the absolute total return for Developed Markets and the grey bars are Emerging. The blue group represents the areas that we believe are more relevant to the typical Pathfinder client and the Canadian money management community. As you can see, the vast majority of the world had negative returns. There was also significant dispersion in Emerging Markets. Developed markets, on the other, were grouped together with mostly negative double-digit returns.



正如我们在本月早些时候发布的投资组合管理概述中所指出的，2022 年对全球股市来说又是充满历史性的一年。大多数市场年末的收盘价都低于年初。右侧是曾于我们的“投资组合管理概述”中发布过的表格。为便于比较，表中的国家/地区按加币回报率从高到低进行排序。绿色条表示发达市场的绝对总回报，灰色条表示新兴市场。



蓝色条表示我们认为与典型的 Pathfinder 客户和加拿大资管行业更相关的领域。如您所见，全球绝大多数国家/地区的回报都为负值。新兴市场也有显著差异。另一方面，发达市场被划为一类，回报率大多为负两位数。

The other item that we added in the blue section was fixed income. Fixed income had equity-like returns last year, causing all sorts of difficulty for the traditional “60/40” Balanced Fund that the investment industry has come to rely on for risk mitigation over the past several decades. At Pathfinder, we have avoided long-term bonds in all of our mandates and client portfolios. This was a significant positive for those clients who had fixed income as part of their investment policy. Those clients also tended to tilt towards our High Income mandate, which has a large cash position and solid dividend-paying stocks that subsequently provided a positive return last year. On the following pages, we provide our mandate reviews and current investment outlook.

我们在蓝色部分增加的另一项是固定收益。固定收益去年获得了类似股票的回报，给传统的“60/40”平衡基金带来了重重困难。过去几十年，投资行业一直依赖这种基金来降低风险。在 Pathfinder，我们在所有委托投资和客户投资组合中都避免了长期债券。这对那些将固定收益作为投资策略一部分的客户来说是一项重大的积极因素。这些客户也倾向于投资我们的 High Income 委托投资，该项投资拥有大量现金持股和稳定的派息股票，这些股票后来在去年带来了正回报。在接下来的内容中，我们会提供委托投资点评和当前的投资前景。

NORTH AMERICAN EQUITY & HIGH INCOME REVIEW (NORTH AMERICAN EQUITY 与 HIGH INCOME 回顾)

For the calendar year 2022, the North America Equity portfolio returned -7.8% and the High Income portfolio returned 0.9%. Since our inception in 2011, both of our segregated portfolios have returned 6.0% and 6.6% annualized to December 31, 2022 (please see Figure 2).

2022 年，North American Equity 投资组合回报率为 -7.8%，High Income 投资组合回报率为 0.9%。自公司于 2011 年创立以来，我们的两个独立投资组合截至 2022 年 12 月 31 日的年化回报率分别是 6.0% 和 6.6%（请见图 2）。

Figure 2: Pathfinder Large Capitalization Mandates										December 31, 2022
Pathfinder Mandate	2022	2021	2020	2019	2018	4 Yr.	7 Yr.	10 Yr.	Std Dev	Incpt*
Pathfinder: North America	-7.8	20.3	-1.3	17.1	-4.9	6.4	4.9	5.8	9.5	6.0
Pathfinder: High Income	0.9	25.0	-7.1	18.6	-5.2	8.6	5.9	5.9	9.6	6.6
Pathfinder International Fund	-18.1	9.4	16.2	14.2		4.4				3.0
Selected Equity Indices										
S&P/TSX Composite Total Return Index (C\$)	-5.8	25.1	5.6	22.9	-8.9	11.2	9.2	7.8	12.1	
S&P 500 Total Return Index (C\$)	-12.4	27.5	16.5	25.3	4.0	13.0	10.9	15.9	12.4	
Bloomberg World ex US Large & Mid Cap (CAD)	-10.8	8.2	11.2	16.1	-6.3	5.6	5.2	7.8	11.2	
Bloomberg Emerging Markets (CAD)	-14.8	1.7	20.1	12.3	-5.3	4.0	6.0	6.3	12.7	
Bloomberg APAC, Europe & EM (CAD)	-11.5	4.9	15.7	15.0		5.4				
Source: Bloomberg Markets LP, Pathfinder Asset Management										
										All portfolio returns are net of fees.



We have accomplished this while taking less risk vs. equity markets - between three quarters and two thirds of broad market indices, as measured by annualized standard deviation (the monthly fluctuations of your portfolio market value). We have been able to minimize our portfolio standard deviation with two main strategies. First, we invest in companies that are stable cash flow producers and are priced at a discount to their fundamental value. This should inherently lead to less volatile portfolios. Second, when the price of a share of a company that we own rises above what we think is the best-case scenario, we sell or reduce our position and allocate that cash to another company that has better value. If we cannot find another company, then we hold the cash in a treasury bill. Holding the cash serves two functions: One, it reduces the risk of the portfolio when we believe prices are too high and two, it provides us an option to buy more shares of good quality companies when prices are lower. It was a difficult year for stock picking with not many places to hide. In our North American Equity Portfolio, Canadian Natural Resources (CNQ CN) +40.7%, Fairfax Financial (FFH CN) +28.9%, Stella-Jones Inc (SJ CN) +21.3%, Cameco Corp (CCO CN) +11.3% and Canadian Pacific (CP CN) +11.1% were our best performers, while it was the technology stocks that were a drag for the year. Bank Of Nova Scotia (BNS CN) -25.9%, Fedex Corp (FDX UN) -28.4%, Alphabet Inc (GOOG US) -34.4%, Skyworks Solutions (SWKS US) -37.2% and Intel Corp (INTC US) -45.1% were the worst performers (all returns above do not include dividends).

我们实现这一目标的同时减少股票市场上的风险（以年化标准差计算）——占大盘市场指数的三分之一到三分之二。我们得以采用两种主要的策略来最大限度减少我们的投资组合标准偏差。首先，我们投资于股价低于其基本面价值、能够产生稳定现金流的公司，这应能从本质上降低投资组合的波动性。此外，当我们持有的公司股价高于我们认为该公司在最好情况下的股价时，我们会出售或减少持股，并将这些现金分配给另一家更具价值的公司。如果找不到合适的公司，我们会将现金投资于国库券。持有现金有两个作用：第一，当我们认为价格过高时，它降低了投资组合的风险；其次，它为我们提供了在价格较低时购买更多优质公司股票的选择。去年对选股来说是艰难的一年，并未有太多地方可以藏身。在我们的 North American Equity 投资组合中，表现最佳的公司是 Canadian Natural Resources (CNQ CN)、Fairfax Financial (FFH CN)、Stella-Jones Inc (SJ CN)、Cameco Corp (CCO CN) 和 Canadian Pacific (CP CN)，其回报率分别为 +40.7%、+28.9%、+21.3%、+11.3% 和 +11.1%，而科技股则拖累了今年的表现。表现最差的公司是 Bank Of Nova Scotia (BNS CN)、Fedex Corp (FDX UN)、Alphabet Inc (GOOG US)、Skyworks Solutions (SWKS US) 和 Intel Corp (INTC US)，回报率分别为 -25.9%、-28.4%、-34.4%、-37.2% 和 -45.1%（上述所有回报都不包含股息）。

There is a difference between trading the market and investing in companies. At Pathfinder, we invest in companies. We aim to buy good quality companies with stable cash flows at a low price. However, this year, we did much more trading than last year and were able to deploy cash at good valuations. We remain generally satisfied with our investment management execution; however, we felt we could have created more cash at the end of 2021 to act as a buffer. We did well putting it to work when markets were low in the spring and summer, but we had less cash into the downturn than other drawdown periods.

市场交易与投资公司是有所区别的。在 Pathfinder，我们投资于公司。我们旨在低价购买那些产生稳定现金流的优质公司。然而，今年，我们的交易量比去年多得多，并能够以良好的估值部署现金。我们总体上对自己的投资管理执行情况感到满意；然而我们认为，我们原本能在 2021 年底创造更多现金来作为缓冲。在春季和夏季市场低迷时，我们很好地利用了这些现金，但在低迷期，我们持有的现金比其他回撤时期要少。



This year, the High Income portfolio had very good results when compared to other portfolios and market indices. We construct the portfolio primarily based on the current holdings of the North American Equity mandate. Those companies that offer attractive dividends are identified as potential for addition to the portfolio. We then look to the Core 100 for more opportunities, and finally after that, screen the markets for potential firms that fit our thesis. There are three important metrics that we focus on with respect to dividends:

今年，与其他投资组合和市场指数相比，High Income 投资组合取得了非常好的成绩。我们主要基于我们目前的 North American Equity 委托投资持股来构建投资组合。我们将那些股息具有吸引力的公司，视为加入投资组合的备选公司。然后，我们会在 Core 100 中寻找更多的机会，最后在市场上筛选符合我们投资论点的潜在公司。关于股息，我们关注三个重要指标：

1. The **current yield** of the stock or trust is important. There must be enough yield, paid as dividend or distribution, to act as a bond-like substitute for investors requiring cash flow for lifestyle purposes.
股票或信托的**当期收益**很重要。必须有股息或分红来支付足够的收益，来充当类似债券的替代品，以满足出于生活目的而需要现金流的投资者的需要。
2. The second, and equally important metric, is the **sustainability** of the dividend. There has to be enough sustainable, repeatable cash flow generated by the company to ensure that, even during periods of stress, the probability of a dividend cut is low. There is also an element of management evaluation. For dividend sustainability to work, there must be a consistent management policy that pays a certain percentage of free cash flow out to the shareholder. If this policy is consistent, and we evaluate the company's capability to protect free cash flow properly, then the dividend should hold over time.
第二个同样重要的指标是股息的**可持续性**。公司必须产生足够的可持续、可重复的现金流，以确保即使在压力时期，削减股息的可能性也很低。还有一个管理评估的因素。为了实现股息的可持续性，必须有一个一致的管理策略，向股东支付一定比例的自由现金流。如果该策略是一致的，并且我们评估了公司适当保护自由现金流的能力，那么股息应该在一段时间内持有。
3. Third is the ability of the company to **grow its cash flow**, and therefore its dividend in tandem over time. If the company can do this, then given that book value of the investor's original position in the portfolio does not change, the yield-to-book should grow with inflation. In this case, we are less concerned about the current valuation of the stock, it can go up or down, but more concerned with the portfolio dividend flows based on invested capital. The result is an inflation-adjusted bond-like cash flow, but with equity portfolio volatility that the investor should ignore... so long as the dividends remains intact.
第三是公司**增加其现金流**的能力，从而随着时间的推移增加股息。如果公司能够做到这一点，那么考虑到投资者在投资组合中原始持股的账面价值不变，账面收益率应该会随着通货膨胀而增长。在这种情况下，我们不太关心股票的当前估值，它可能上涨或下跌，而更关心的是基于投资资本的投资组合股息流。其结果是经过通货膨胀调整后的类债券现金流，以及伴随的股票投资组合波动性，但只要股息保持不变，投资者就应该忽略这一点。



We present a comparison between the two mandates in Figure 3. The High Income Portfolio had more cash at the end of the year (10.4% vs 0.9%). Cash was also as high as 18% over the course of the year. This was a big plus that provided more downside protection during market volatility. The portfolio also had more energy exposure and more Canadian stocks, both of which were better when compared to the Equity Portfolio. High Income also has no technology or semiconductor stocks. This meant that it avoided much of the significant drawdown from that part of the market. The portfolio also has better valuation metrics (PE, PS), which in theory would have provided more downside protection during periods of market stress.

我们在图 3 中对两种委托投资进行了比较。High Income 投资组合在年底拥有更多现金（10.4% 相对于 0.9%）。在这一年中，现金占比也高达 18%。这是一个很大的优势，在市场波动期间提供了更多的下行保护。投资组合也包含更多的能源股票和更多的加拿大股票，这两者都比 Equity 投资组合要好。High Income 也没有科技股和半导体股。这意味着它极大地避免了这部分市场的大幅缩水。该投资组合还具有更好的估值指标（PE、PS），理论上可以在市场承压期间提供更多的下行保护。

Figure 3: Pathfinder Large Cap Statistics December 31, 2022

	Pathfinder	
	Nth Am	Hi Inc
Count	30	26
Cyclical	22.6%	7.4%
Defensive	13.5%	25.3%
Semi-Cyclical	63.0%	56.9%
Other	0.9%	10.4%
Canadian	39.2%	67.7%
United States	60.8%	32.3%
International	0.0%	0.0%
Price to Earnings Ratio	20.7	10.7
Price to Sales Ratio	3.4	2.1
Return on Equity	23.8	16.6
Net Debt to EBITDA	1.7	1.3
Dividend Yield	2.6	5.2

Source: Bloomberg Markets LP, Pathfinder Asset Management

PATHFINDER INTERNATIONAL FUND

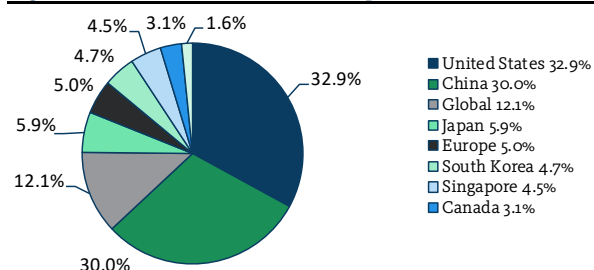
For the year, the Pathfinder International Fund returned -18.1% while International Developed & Emerging Large/Mid Cap Markets were down -11.5% (both in CAD terms). International markets had a difficult year, particularly Emerging Markets in Asia. World Large & Mid Capitalization stocks returned -18.2% in USD terms. Large & Mid Cap Europe, Middle East and Africa markets were down -16.1%, while Large & Mid Cap Asian markets were down -17.6%. Emerging Asia stocks were down -21.6%. With the US Large & Mid cap market down -19.7%, there were limited places to allocate capital to avoid difficult markets. A combination of poor economic conditions and geopolitical issues caused investors to flee international risk capital in place of USD assets in early 2022.

今年，Pathfinder International Fund 的回报率为 -18.1%，而国际发达和新兴大中型股票市场的回报率为 -11.5%（二者均以加元计算）。国际市场经历了艰难的一年，尤其是亚洲新兴市场。以美元计算，全球大中型股票的回报率为 -18.2%。欧洲、中东和非洲大中型股票市场下跌了 16.1%，亚洲大中型股票市场下跌了 17.6%。亚洲新兴股票下跌 21.6%。美国大中型股票市场下跌 19.7%，为避开市场下跌而配置资本的空间有限。糟糕的经济状况和地缘政治问题，导致投资者在 2022 年初逃离国际风险资本，转而购买美元资产。



The main reason for the difference is the fund's performance relative to "the market" was its high exposure to China and technology stocks in general (please see Figure 4). Both were difficult places to be for the year and also less represented in the broad indices as in the fund. We believe this will be temporary. We have not changed our themes that we identified in 2019 and still focus on technology (hardware, ecommerce and industrial electrification), banking and retail in Asia, along with a few commodity special situations. We will, however, add more industrial stocks to the portfolio when we have confirmed a trough in the global economy. We suspect that we are at a cyclical low, and the companies that we invest in at this point in the cycle will have excess growth for years to come, as the global economy recovers, supply chain issues subside, and inflation eventually moderates. Our main task is to identify the emerging themes and geographic areas that will benefit from these large medium to long-term structural trends. Then we need to add the companies that are globally the best positioned and valued to exploit those opportunities.

Figure 4: International Fund Revenue Exposure December 31, 2022



Source: Bloomberg Markets LP, Pathfinder Asset Management

造成该基金相对于“市场”表现差异的主要原因，是其对中国和一般科技股的较高投资份额（见图 4）。这两个市场在今年的表现都很艰难，在各大指数中的权重也低于在该基金中的权重。我们相信这是暂时的。我们并未改变我们在 2019 年确定的论点，仍然专注于亚洲的技术（硬件、电子商务和工业电气化）、银行和零售，以及一些大宗商品的特殊情况。不过，当我们确认全球经济已进入低谷时，我们将在投资组合中增加更多工业股。我们怀疑，我们正处于周期性低点，随着全球经济复苏，供应链问题消退，通货膨胀最终放缓，我们在周期的这个时候投资的公司将在未来几年里出现超额增长。我们的主要任务是确定将从这些大型中长期结构性趋势中受益的新兴主题和地理区域。然后，我们需要加入那些在全球范围内处于最佳地位和最有价值的公司，以利用这些机会。

Our best performers for the year were DBS Group (Do5 SP) 11.8%, Cameco Corp (CCO CN) +11.3%, Emerson Electric (EMR US) 10.5%, Fairfax India (FIH.U CN) 4.2% and Ivanhoe Mines (IVN CN) +3.7%. Note that none of the strong Asian technology stocks from the previous year are in the list. This year, the drawdown in Chinese stocks continued in dramatic fashion but was followed by a sharp rally in December that has also continued into January as we write this report. In addition, chip manufacturing struggled in what was, in our view, temporary inventory over supply. The worst performers this year were: Tokyo Electron (8035 JP) -45.4%, Coupang Inc (CPNG US) -46.4%, Nvidia Corp (NVDA US) -46.9%, Sunny Optical (2382 HK) -59.7% and Kion Group Ag (KGX GR) -72.2% (all returns above do not include dividends).

我们今年表现最好的公司有 DBS Group (Do5 SP)、Cameco Corp (CCO CN)、Emerson Electric (EMR US)、Fairfax India (FIH.U CN) 和 Ivanhoe Mines (IVN CN)，回报率分别为 +11.8%、+11.3%、+10.5%、+4.2% 和 +3.7%。值得注意的是，前一年表现强劲的亚洲科技股均未上榜。今年，中国股市继续大幅下跌，但随后在 12 月出现大幅反弹，这种反弹也一直持续到我们撰写这篇报告时的 1 月。此外，在我们看来，芯片制造业在暂时库存过剩的情况下举步维艰。今年表现最差的公司有：Tokyo Electron (8035 JP)、Coupang Inc (CPNG US)、Nvidia Corp (NVDA US)、Sunny Optical (2382 HK) 和 Kion Group Ag (KGX GR)，回报率分别为 -45.4%、-46.4%、-46.9%、-59.7% 和 -72.2%（上述所有回报均未包含股息）。



Much like the North American Equity Portfolio, the International Fund is now essentially fully invested. We could have been more aggressive about risk mitigation at the beginning of the year and done more to protect the downside. We had previously shorted stocks during stress periods but missed that opportunity early in the year. This was the main driver of our drawdown, as for the most part, we remain very comfortable with the companies that we own.

与 North American Equity 投资组合类似，International Fund 现已基本完全投资。今年年初，我们本可以更积极地降低风险，采取更多措施保护下行风险。我们以前曾在压力时期做空股票，但在今年年初错失了这个机会。这是基金回撤的主要原因，在大多数情况下，我们对自己持有的公司仍然很满意。

CORE PORTFOLIO STATISTICS (CORE 投资组合统计数据)

We include Figure 5, which presents the difference between the Pathfinder Large Cap mandates and three large exchange trade funds and indices. We think that this is the most appropriate comparison for our approach. Pathfinder mandates do not look like any common benchmark portfolio. We are more concentrated, have better valuation metrics and stronger company fundamentals. Over the years, our allocation to sector, geography and cash have changed dramatically. We take a real investment stance, move capital opportunistically and, as a result, expect a more efficient return profile. We cannot guarantee better performance, but we can guarantee that we will be different. In our opinion, this is what most investors are missing in their own personal investment structure. When we speak with clients and prospects, we often tell them that they have three basic options for the operation of their investment portfolio:

Figure 5: Pathfinder Large Cap Statistics December 31, 2022

	Pathfinder Asset Mgmt.			S&P/TSX	S&P 500	Bloomberg
	Nth Am	Hi Inc	Intl	iShares	iShares	Wrld x NA
Count	30	26	32	236	504	1,662
Cyclical	22.6%	7.4%	14.6%	48.7%	24.2%	35.3%
Defensive	13.5%	25.3%	1.0%	23.3%	40.9%	35.7%
Semi-Cyclical	63.0%	56.9%	17.0%	28.0%	34.5%	29.0%
Other	0.9%	10.4%	36.7%	0.0%	0.0%	0.0%
Canadian	39.2%	67.7%	2.6%	97.5%	0.0%	0.0%
United States	60.8%	32.3%	15.4%	2.1%	97.3%	0.0%
International	0.0%	0.0%	82.0%	0.4%	2.7%	100.0%
Price to Earnings Ratio	20.7	10.7	20.9	14.6	23.7	15.2
Price to Sales Ratio	3.4	2.1	4.9	3.5	4.5	7.1
Return on Equity	23.8	16.6	10.8	14.2	20.6	18.6
Net Debt to EBITDA	1.7	1.3	-1.6	2.9	2.6	1.4
Dividend Yield	2.6	5.2	1.2	3.0	1.7	3.5

Source: Bloomberg Markets LP, BlackRock, Inc, Pathfinder Asset Management

我们在图 5 中展示了 Pathfinder Large Cap 委托投资对比三家大型 ETF 基金和指数的差异。我们认为这是最适合我们投资方法的比较方法。Pathfinder 委托投资看上去与任何常见基准投资组合都不相同。我们的投资更加集中、具有较好的估值指标和较强的公司基本面统计数字。多年来，我们对行业、地缘和现金的分配有了极大的改变。我们采取真正的投资立场，机会性地转移资本，并因此期望更有效的回报。我们无法保证更好的表现，但可以保证我们会有所不同。在我们看来，这正是大多数投资者自己的个人投资结构中所缺少的。在与客户和潜在客户交谈时，我们经常告诉他们，他们有三种基本选择来操作自己的投资组合：

1. “do it yourself” “自己操作”

There are many “do it yourselfers” and if one is interested, diligent and has the time to dedicate, this is a great way to manage a portfolio. It permits maximum flexibility and is clearly the cheapest. However, individual results can vary, and most people are often not objective about evaluating themselves;



有许多投资者都是“自己操作”，如果投资者感兴趣、勤奋并且有时间投入精力，那么这是一个管理投资组合的不错方法。这种方法具有最大的灵活性，很显然，这也是最经济实惠的方法。然而，每个人的结果可能会有所不同，而且大多数人在自我评估时往往并不客观：

2. and/or “index”

和/或 “跟随指数”

The second cheapest is passive investing, which is also a very valid approach. In this case, a very low-cost ETF and a long-term strategy (i.e. avoid selling in the panic times) guarantees average returns with an essentially institutional type fee;

第二经济的方法是被动投资，这也是一种非常有效的方法。在这种情况下，极低成本的 ETF 和长期策略（即避免在恐慌时期卖出）相结合就能够保证平均收益，所花费的费用很低；

3. and/or “hire a pro”

和/或 “聘请专业人士”

Many people also hire a professional investor. This unfortunately comes with mixed results. There are some great money managers who offer performance and good service but there is an associated fee. In some cases, it works and in others it does not. Many professional investor services also rely on outsourced money management and, in turn, blend multiple portfolios together, essentially creating a passive portfolio with an active fee. This guarantees that the client earns subpar returns and ultimately leads to a poor client experience. When hiring a money manager, the “buyer beware” philosophy holds very true.

许多人也会聘请专业投资者。可惜结果好坏参半。有一些优秀的基金经理提供出色的业绩和良好的服务，但要收取相应的费用。在某些情况下这能起作用，但在其他情况下则不起作用。许多专业投资者服务也依赖于外包的资金管理，这反过来会将多个投资组合混合在一起，本质上其实是给被动投资组合支付了主动投资的费用。这样，客户获得的净收益必定会低于标准，从而最终导致糟糕的客户体验。在聘请基金经理时，“买家意识”的理念非常适用。

I added the “and/or” in front of each option because we find that some of the most interesting client portfolios *mindfully* blend multiple approaches. The trick is to be mindful with the selection of the strategies. At Pathfinder, our Investment Counsellors are actively involved in helping clients do this.

我在每个选项前面加上了“和/或”，因为我们发现一些最有趣的客户组合 *谨慎地* 混合了多种方法。关键是要注意策略的选择。在 Pathfinder，我们的投资顾问积极参与帮助客户做到这一点。

A NOTE ABOUT FIXED INCOME: (关于 FIXED INCOME 的说明：)

We have several clients where we blend in a ladder, investment-grade fixed income portfolio to their equity and fund positions for risk mitigation and capital preservation purposes. We have often stated that given the interest rate environment, we did not view fixed income as a source of investment return but rather as a store of nominal value (i.e., loss of capital is limited, other than erosion from inflation).

对于一些客户，我们将他们的阶梯式投资级固定收益投资组合与他们持有的股票和基金相结合，以降低风险和保护资本。我们经常说，鉴于目前的利率环境，我们不将固定收益视为投资回报的来源，而是作为一种储存名义价值的手段（即：除了通货膨胀造成的侵蚀外，资本损失是有限的）。



During the early part of my career, a typical client's Investment Policy Statement could be wrapped around a balanced portfolio (60% equity, 40% fixed income). The bond portion of the portfolio was usually targeted to provide cash flow for a fixed liability (living expenses, for example) and the equity portion of the portfolio was used for growth to build the portfolio in order to protect its purchasing power over time. That changed in the mid 90's as long bond rates dropped below 6%. While there was an initial, (significant) capital gain, once the tenor rolled off and the bond

matured, it was very difficult to reinvest for any duration that paid what we thought was a reasonable rate, given that interest rates were eventually bound to increase again. The longer the low rate environment persisted, the riskier it was to add long bonds to a portfolio because of the substantial capital loss that would occur on rate reversal. Earlier this year, rates did in fact reverse. We wrote a market cap series that showed total wealth destruction (equity losses added to fixed income losses), was almost equal to the wealth that was destroyed in the Great Financial Recession of 2008. Please follow this link [here](#) to review.

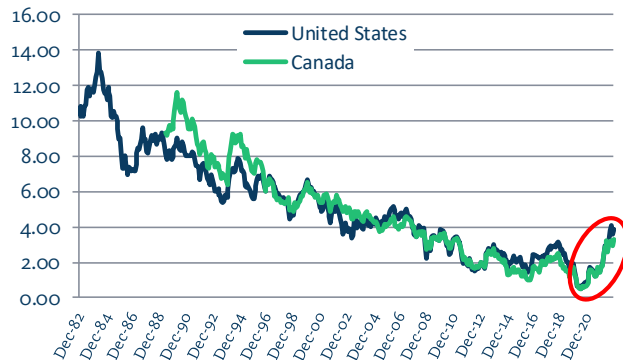
在我职业生涯的早期，典型客户的投资策略声明可能围绕着平衡的投资组合（60% 为股票，40% 为固定收益）。投资组合中的债券部分通常旨在为固定开支（例如生活费用）提供现金流，而投资组合中的股票部分用于增长，以建立投资组合，以随着时间的推移保护投资者的购买力。上世纪 90 年代中期，随着长期债券利率降至 6% 以下，这种情况发生了变化。虽然有最初的（显著）资本收益，但一旦合约期满，债券到期，就很难再重新投资于足以支付我们认为合理利率的债券，因为利率最终肯定会再次上升。低利率环境持续的时间越长，在投资组合中添加长期债券的风险就越大，因为一旦利率逆转，就会出现巨大的资本损失。今年早些时候，利率确实出现了逆转。我们曾发表过关于市值的系列文章，显示总财富损失（股票损失加上固定收益损失）几乎等于 2008 年金融大衰退中损失的财富。单击[此处](#)的链接查看。

For our Fixed Income Portfolio, we have remained allocated to short duration bonds. This is a good way to preserve capital as they are less sensitive to interest rates. We also believed that credit spreads have been too small to warrant investment in most corporate bonds and we have tilted the portfolio more towards government bonds. We said that we would need to see mid-to-high single digit bond rates with moderate inflation before we would again consider it as a contributing part of our investment process.

在 Fixed Income 投资组合中，我们仍保持了短期债券的配置。短期债券是保存资本的好方法，因为它们对利率较不敏感。我们还认为，信贷息差太小，不值得投资于大多数公司债券，我们已将投资组合更多向政府债券倾斜。我们说过，我们需要看到中到高个位数的债券利率和适度的通货膨胀，然后我们才会再次考虑把它作为我们投资过程的一部分。

Figure 6: 10 Year Treasury Rates

January 18, 2023



Source: Bloomberg LP, Pathfinder Asset Management



For clients that require fixed income for living expenses, we have historically substituted our High Income portfolio for the equity portion of the investment policy statement and used our short bond ladder for the fixed income portion. This has resulted in exceptional relative performance for these investors.

对于需要固定收益来支付生活费用的客户，我们一直用我们的 High Income 投资组合来代替投资策略声明中的股票部分，并使用我们的短期债券阶梯来代替固定收益部分。这为这些投资者带来了相对优异的业绩。

With interest rates increasing, we now consider fixed income as a potentially viable investment alternative if (and this is a BIG IF) we can see some moderation in core inflation. We have now begun the process of working fixed income into our regular investment process and will monitor markets very carefully for opportunities to modify client portfolios where a balanced approach makes sense. We will write more on this in the future as the situation evolves.

随着利率上升，我们现在认为固定收益是一种潜在可行的投资选择，前提是我们可以看到核心通货膨胀有所放缓（这是一个很大的假设）。我们现在已经开始将固定收益纳入我们的常规投资流程，并将非常仔细地监控市场，寻找在采取平衡方法较为合理的情况下，调整客户投资组合的机会。随着形势的发展，我们将在未来撰写更多这方面的文章。

CURRENT INVESTMENT OUTLOOK (当前的投资展望)

Every year, we reread what we wrote the previous year in this section. We compare what we thought the coming year would bring against what actually happened. One of the nice things about writing on a regular basis is that we can track how our thought process evolves. This provides us with the opportunity for reflection, which is critical for investors. We did the same thing with last year's *Current Investment Outlook* section before we began to write this year's and we were struck again by how quickly inflection points can present themselves. War in the Ukraine and the change in investor expectations happened very fast at the beginning of 2022. We entered a bear market quickly.

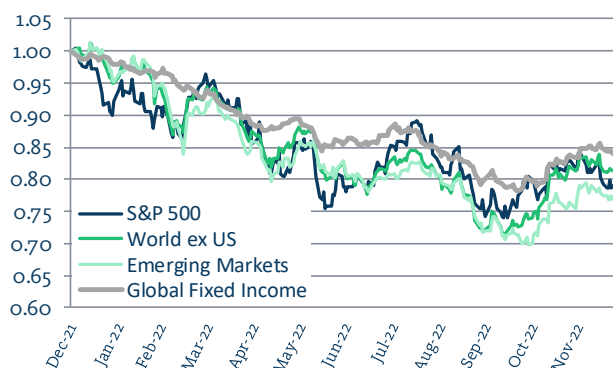
每年，我们都会重读上一年所写的关于这部分的内容。我们会将我们对未来一年的预期与实际发生的情况进行比较。定期撰写文章的好处之一是，我们可以追踪我们思维过程的发展方式。它为我们提供了反思的机会，而反思对于投资者而言至关重要。在开始撰写今年的投资展望时，我们也将去年撰写的 *当前的投资展望* 与今年的实际情况做了比较，而转折点出现得如此之快让我们感到震惊。乌克兰战争和投资者预期的变化在 2022 年初发生得非常快。我们很快进入了熊市。



One of the most obvious differences between this and prior big bear markets was the performance of fixed income. For decades, the 60/40 balanced fund (60% equity and 40% fixed income) had been the foundation of most investor portfolios with fixed income offering a buffer against the volatility of equities, particularly during drawdown periods. As Figure 7 presents, this was not the case this year for fixed income (grey line). It performed much like equity, when many investors would have expected it to do the opposite.

Figure 7: Major Market Returns 2022 (USD)

January 18, 2023



Source: Bloomberg LP, Pathfinder Asset Management

这次和之前的大熊市最明显的区别之一是固定收益的表现。几十年来，60/40 平衡型基金（60% 股票和 40% 固定收益配置）一直是大多数投资者投资组合的基础，固定收益提供了对股票波动的缓冲，尤其是在股市下跌期间。如图 7 所示，今年的固定收益情况并非如此（灰色线）。它的表现很像股票，与许多投资者预计的表现截然相反。

During periods of distress, capital typically flows to the safest asset and during the upheaval of last year, it was US Treasury bills that took most of the flow. This, in combination with US companies being less exposed to war in Europe, Canadian companies having more energy exposure, and both being less exposed to poorly envisioned policy in China (COVID & company sanctioning), resulted in better performing North American equities in local dollar terms.

在危机时期，资本通常会流向最安全的资产，而在去年的动荡时期，美国国债占据了大部分资本流动。再加上美国公司较少受到欧洲战争的影响，加拿大公司有更多的能源持股，以及两者较少受到中国糟糕政策的影响（新冠肺炎和公司制裁），导致以当地美元计算的北美股票表现更好。

These were the two largest drivers of returns last year. A portfolio that was equally focused on large capitalization North American stocks and a short-term fixed income portfolio was able to provide a much better relative return than a traditional balanced or international portfolio. The fixed income observation should not be discounted. It was a material destroyer of wealth this year. However, a significant difference between equity and fixed income losses is that companies can regroup and improve profitability over time to the benefit of equity holders. These periods of distress are often buying opportunities for high quality organizations and over time, and these type of investments usually work out. It is different for a bond. The only way for a bond to recover after interest rates have risen is for those same rates to drop back down to where they were before. Given that rates were at generational lows, and there appears to be sustained and stubborn high inflation, we believe the losses in recently issued long-term bonds are unfortunately permanent for those investors.

这是去年推动投资回报的两个最大因素。对北美市值股票与短期固定收益投资组合有同等专注度的投资组合，能够提供比传统的平衡投资组合或国际投资组合更好的相对回报。固定收益受到的影响不应被忽视。这是今年对



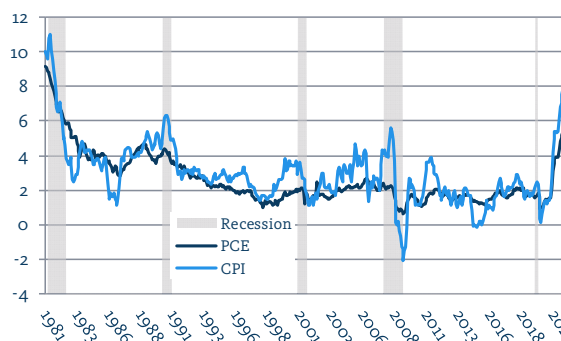
财富的重大破坏因素。然而，股票损失和固定收益损失之间的一个显著区别是，随着时间的推移，公司可以重组并提高盈利能力，从而使股票持有人受益。这些困难时期对于优质的组织来说通常意味着购买机会，随着时间的推移，这种类型的投资通常会奏效。对于债券来说就不一样了。在利率上升后，让债券恢复的唯一方法是让相同的利率回落到以前的水平。鉴于当时的利率处于代际的低值，而且似乎存在持续而顽固的高通货膨胀，我们认为，最近发行的长期债券的损失对这些投资者来说是不幸的永久性损失。

The big question on everyone's mind (investors and consumers alike) is what will happen with inflation. Inflation has not been this high since the early 1980's and its forward path has significant implications for investors. Figure 8 presents Personal Consumption Expenditures (PCE), which is the Federal Open Market Committee's preferred inflation measure. When the PCE falls to around 2%, we will be back in a "normal inflationary environment" (the dark blue line has been around 2% since the early 1990s). We have also included traditional CPI, which is often quoted in the financial press. It appears that both have peaked in the early spring. Will inflation rise back above the recent highs? That is a critical question. So far, we have seen some disinflationary pressure: supply chains are normalized and cost of goods have somewhat moderated. What remains a concern for higher inflation is wages and services. The low unemployment rate and the potential impact of a re-emerging China on demand, including oil, could also drive inflation higher. Figure 9 presents goods inflation (peaked) and services inflation (yet to peak) along with the unemployment rate (all-time lows).

每个人（投资者和消费者）心中的一个大问题是，通货膨胀会如何发展。自 20 世纪 80 年代初以来，通货膨胀率从未如此之高，而它的未来发展对投资者具有重大影响。图 8 展示了个人消费支出（Personal Consumption Expenditures, PCE），这是联邦公开市场委员会首选的通货膨胀指标。当 PCE 下降到 2% 左右时，我们将回到“正常的通货膨胀环境”（这条深蓝色线自 20 世纪 90 年代初以来一直在 2% 左右）。我们还包括了金融媒体经常引用的传统 CPI。两者似乎都在早春达到顶峰。通货膨胀会回升到最近的高点之上吗？这是一个关键问题。到目前为止，我们已经看到了一些抑制通货膨胀的压力：供应链已经正常化，商品成本也有所放缓。通货膨胀上升仍然令人担忧的是工资和服务。低失业率以及中国重新崛起对需求（包括石油）的潜在影响，也可能推高通货膨胀。图 9 展示了商品通货膨胀（已达到峰值）和服务通货膨胀（尚未达到峰值）以及失业率（历史最低水平）。

Figure 8: US Inflation Data

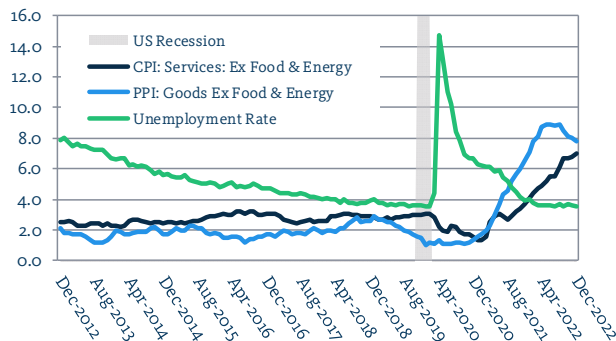
January 18, 2023



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Figure 9: US Inflation Drivers

January 18, 2023



Source: St Louis Federal Reserve, Pathfinder Asset Management Limited



We present in Figure 10, headline inflation data from other parts of the world. What strikes us is how different each of the major areas are. While there is recent disinflation in the US, Brazil and Europe, Japan has still yet to reach its peak. Note that at Japan's current inflation rate of 3.8%, it is well below that of other major economies, as for decades, deflation has been the issue in Japan. China is essentially on its own with (so far) low inflation and no perceivable pattern. As China reopens, one can only expect that this number will rise and have an impact on the rest of the world.

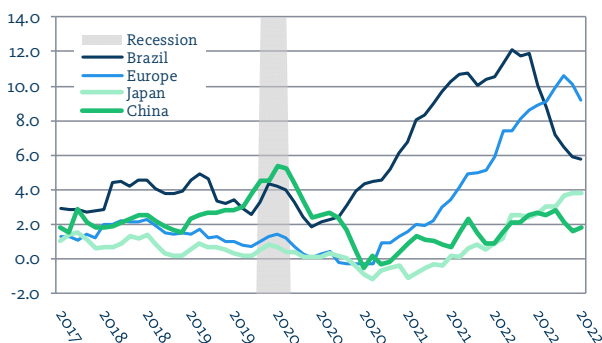
我们在图 10 中展示了世界其他地区的总体通货膨胀数据。让我们吃惊的是，每个主要领域的差异是如此之大。尽管美国、巴西和欧洲最近出现了通货紧缩，但日本仍未达到峰值。要注意的是，日本目前的通货膨胀率为 3.8%，远低于其他主要经济体，因为几十年来，日本一直存在通货紧缩问题。中国基本上是独自为营（到目前为止），它的通货膨胀率很低，而且没有可预见的趋势。随着中国重新开放，我们只能预期这一数字将会上升，并对世界其他地区产生影响。

What we find most interesting about the current situation is how different the economies are. In recent history, most major economies have moved in tandem. It appears now there are significant differences (including with geopolitical issues as well). This provides an opportunity for diversification that we should be able to use in the construction of the portfolios.

关于当前的情况，我们发现最有趣的是各经济体之间的差异。在近代史上，大多数主要经济体都是步调一致的。现在看来，各大经济体之间有重大差别（包括在地缘政治问题上）。这为我们提供了一个多元化的机会，我们应该能够在构建投资组合时加以利用。

Figure 10: Select International Inflation

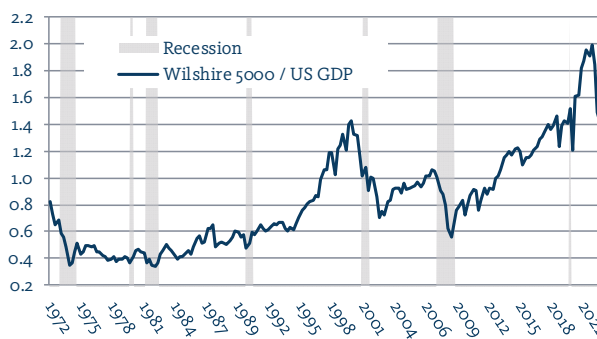
January 18, 2023



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Figure 11: The Buffet Valuation

January 18, 2023



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited



We published The Buffett Valuation (broad US stock market capitalization divided by US GDP) for the last 50 years in Figure 11. It was at an all-time high last year at this time and has since moderated back to 2018 levels. This is a large adjustment but remains high historically. The peak of the dot-com bubble from the late 1990's was about the same as today.

我们在图 11 中发布了过去 50 年的巴菲特估值 (The Buffett Valuation, 将美国股票市值除以美国 GDP)。去年这个时候, 它处于历史最高水平, 此后已回落至 2018 年的水平。这是一个较大的调整, 但仍处于历史高位。上世纪 90 年代末互联网泡沫顶峰时期与今天大致相同。

We also published Price Earnings multiples for US and International stocks in Figure 12. Valuations have peaked but have yet to find a bottom. We see this in the portfolios now, as many share prices have fallen below what we consider to be fair value. This means there is more opportunity to buy companies. Adding them to the portfolio today is more attractive, particularly on the international side, than it has been at any time since 2018.

我们还在图 12 中发布了美国和国际股票的市盈率。估值已见顶, 但尚未见底。我们现在在投资组合中看到了这一点, 因为许多股票价格已经跌破了我们认为的合理价值。这意味着有更多的机会收购公司。现在将它们加入投资组合, 比 2018 年以来的任何时候都更具吸引力, 尤其是在国际方面。

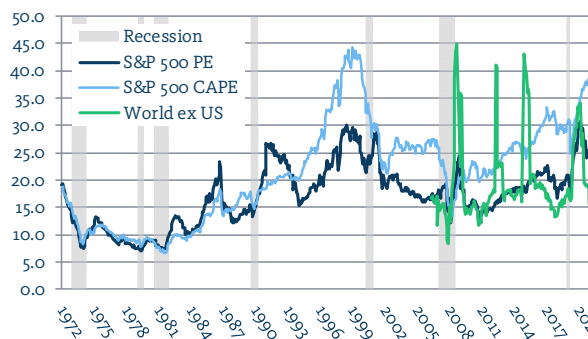
Figure 13 presents management expectations as measured by Purchasing Managers Indices, which have been understandably somewhat volatile since the recession. Unfortunately, on average, they have recently turned below 50, which means there is a negative outlook. This is not a constructive development.

图 13 展示了采购经理人指数 (Purchasing Managers Indices) 衡量的管理层预期, 自经济衰退以来, 该指数出现一定波动, 这是合乎情理的。不幸的是, 最近平均指数跌破 50, 这意味着前景不容乐观。这不是一种建设性的发展。

Conclusion: We will continue to look for good quality, mispriced investments. The combination of better valuations and moderating inflation provide the opportunity to position the portfolio for the next cyclical expansion. Over the long term, our investment view remains unchanged.

Figure 12: Price Earnings Valuations

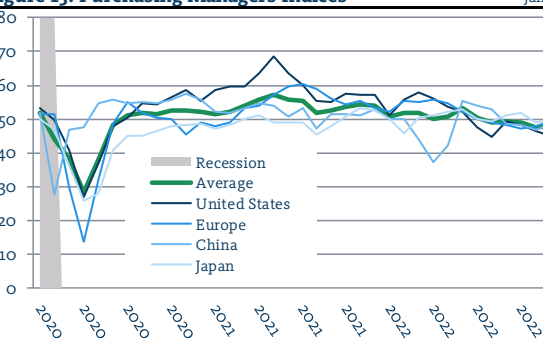
January 18, 2023



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Figure 13: Purchasing Managers Indices

January 18, 2023



Source: St Louis Federal Reserve, Pathfinder Asset Management Limited



结论： 我们将继续寻找优质、定价错误的投资。更好的估值和温和的通货膨胀，这两种因素为下一个周期性扩张提供了配置投资组合的机会。从长期来看，我们的投资观点仍未改变。

CORE:100

We maintain a list of what we consider to be world class companies in all industries and across all major geographic areas. We regularly screen global stocks, based on our valuation framework, for new names that we consider for addition to our universe of coverage. We focus on well managed, fundamentally strong firms that consistently generate and grow cash flow. We also expect strong quality management teams to reinvest that cash flow in improving their businesses. These firms have defensible advantages and ideally return any excess capital to their owners (i.e. us!!) in a rational, economic and consistent manner. The list is then filtered for qualitative factors including sector balance, general economic trends and changes in technology and we generate buy and sell targets for each company in the universe. This is what drives our portfolio investment decisions. Our thesis is that these companies should do better than the general market over the long-term and, more importantly, they should outperform during the regular periods of distress that we seem to have every 7-10 years. If we are buying from a list of “the best companies in the world” and buying consistently at a discount, then the portfolios that we construct should do better on a risk-adjusted basis as well.

我们维护有一份我们认为是世界级企业的清单，涵盖各个行业 and 所有主要地缘区域。根据我们的估值框架，我们定期对全球股票进行筛选，寻找我们考虑纳入股票池的新公司。我们专注于管理良好、基本面强劲、持续产生和增长现金流的公司。我们还期待强大的质量管理团队将这些现金流用于改善业务。这些公司拥有稳健的优势，理想情况下能够以合理、经济 and 一致的方式将多余的资本返还给所有者（即我们！！）。然后，我们根据行业平衡、总体经济趋势和技术变化等定性因素对这个清单进行筛选，并为清单中的每家公司设定买入和卖出目标。这是推动我们证券投资决策的因素。我们的观点是，这些公司长期来讲应优于一般市场，更重要的是它们应该会在 7-10 年一遇的常规困境中跑赢大盘。如果我们从“世界上最好的公司”的名单中购买并持续以折扣购买，那么我们构建的投资组合在经过风险调整的基础上应该表现得更好。

We have expanded past our 100 names in the Core 100 as we find new additions and our investment thesis evolves to include more international companies. Generally, this is a slow-moving process that does not change significantly from year-to-year, but some evolution is healthy given global changes and the ongoing development of our investment view and process. In 2022, we had limited movement of companies. We did lose a handful to M&A activity. Given the recent turmoil in economies from the various reactions to COVID and now

Figure 14: Pathfinder Core 100 Statistics

December 31, 2022

	Pathfinder Core 100	S&P/TSX iShares	S&P 500 iShares	Bloomberg Wrld x NA
Count	128	236	504	1,662
Cyclical	25.0%	48.7%	24.2%	35.3%
Defensive	34.4%	23.3%	40.9%	35.7%
Semi-Cyclical	39.8%	28.0%	34.5%	29.0%
Other	0.0%			
Canadian	25.8%	97.5%	0.0%	0.0%
United States	55.5%	2.1%	97.3%	0.0%
International	18.8%	0.4%	2.7%	100.0%
Price to Earnings Ratio	20.1	14.6	23.7	15.2
Price to Sales Ratio	4.3	3.5	4.5	7.1
Return on Equity	18.4	14.2	20.6	18.6
Net Debt to EBITDA	1.3	2.9	2.6	1.4
Dividend Yield	3.0	3.0	1.7	3.5

Source: Bloomberg Markets LP, BlackRock, Inc, Pathfinder Asset Management Limited



with major geopolitical changes, we have reserved adjustment for this past year and expect significant turnover next. The number of companies that we follow in detail will increase towards 150 over the short term and hope to find more companies that are more domestic in nature, rather than the large multi-nationals. We believe that companies focused on a more nationalistic approach will be less at risk to geopolitical changes than the other super majors. Figure 11 presents our current characteristics against large exchange-traded fund portfolios and indices. As you can see, our metrics tend to be more value focused with less leverage than the board markets.

随着我们发现更多的新投资对象，以及我们的投资论点不断发展以包括更多的国际公司，我们 Core 100 名单中的公司数目已超过 100 家。总的来说，这是一个缓慢更替的过程：每年不会发生重大变化，但是随着全球的变化和我们投资观点和过程的不断发展，一定程度的演化有益于健康发展。2022 年，我们的公司变动有限。我们确实因为并购活动损失了一些公司。考虑到近期各经济体因新冠疫情的各种反应而出现的动荡，以及现在重大的地缘政治变化，我们为过去一年预留了调整，预计明年将出现重大变动。我们仔细跟踪的公司数量短期内将增加到 150 家，并希望找到更多本质上更本土化的公司，而不是大型跨国公司。我们认为，与其他超级巨头相比，更加专注于国家策略的公司受到地缘政治变化的风险更小。图 11 显示了我们相对于大型交易所交易基金投资组合和指数的当前特征。如您所见，我们的指标往往更关注价值，杠杆率低于广泛市场。

We are always looking to improve the quality of the companies that we consider for the portfolios. We run screens that identify new companies that fit the broad parameters of what we consider to be a “good” company. The list is continually expanding and over the coming year it will be reviewed to determine if there is a potential fit for the Core 100.

我们一直在寻求改善我们所考虑的投资组合公司的质量。我们会进行筛选，将符合广泛参数（我们认为符合“好”公司的标准）的新公司纳入清单。这份清单会持续扩展，第二年我们又会进行审查，以确定它们是否符合“Core 100”的增长前景。

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Sources: Bloomberg, Pathfinder Asset Management Limited

Disclosure

National Instrument 31-103 requires registered firms to disclose information that a reasonable investor would expect to know, including any material conflicts with the firm or its representatives. Doug Johnson and/or Pathfinder Asset Management Limited are insiders of companies periodically mentioned in this report. Please visit www.paml.ca for full disclosures.

*All returns are time weighted and net of investment management fees. Performance returns from the Pathfinder Partners' Fund and Pathfinder Real Return Plus Fund are presented based on the masters series of each fund. The Pathfinder Core: Equity Portfolio and the Pathfinder Core: High Income Portfolio are live accounts. These are actual accounts owned by the Pathfinder Chairman (Equity) and client (High Income) which contain no legacy positions, cash flows or other Pathfinder investment mandates or products. Monthly inception dates for each fund and portfolio are as follows: Pathfinder Core: Equity Portfolio (January 2011), Pathfinder Core: High Income Portfolio (October 2012) Pathfinder Real Fund (April 2011), Pathfinder Real Fund (April, 2013), and Pathfinder International Fund (November 2014).

Changes in Leverage. We are increasing the asset ceiling to 2.0 times the market value of equity for [Pathfinder International Fund](#) and [Pathfinder Real Fund](#) to be consistent with [Pathfinder Partners' Fund](#) and [Pathfinder Resource Fund](#).

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