

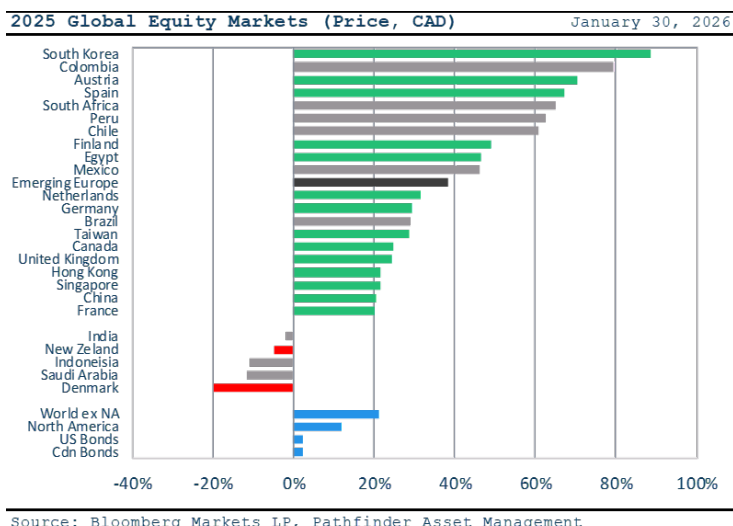
Equally Invested™

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.

JANUARY 2026

From the reader's perspective, this document should be read in conjunction with the "Pathfinder Portfolio Management Overview" report released on January 9th, 2026, 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.

As we noted in our Portfolio Management Overview released earlier this month, 2025 was another strong year for global equity markets. The first half of the year was dominated by trade concerns as the US raised tariff rates across the board. Developed market equities fell 16.5% in early April but ultimately shrugged off the impact and ended the year with strong returns. In the second half of the year, markets focused on the positive implications of fiscal and monetary stimulus. Risk-on sentiment drove an "everything rally". Emerging markets were the top-performing equity market in 2025. Precious metals were the standout asset class of 2025 with gold dominating the headlines.



We republish the chart above that was also released in our Portfolio Management Overview. The countries are sorted from highest to lowest and are in CAD for comparability. The green bars present Developed Markets and the grey bars Emerging Markets. 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 positive returns although there was some dispersion between Emerging and Developed.

The other item that we added in the blue section was fixed income. Bonds had more normalized fixed income type returns (low-single digit) again this year. This was very different from 2022 where the traditional "60/40" Balanced Fund was essentially the worst performing asset on an expected risk adjusted return basis. At Pathfinder, we have avoided long-term bonds in all our mandates and client portfolios. Given the current market environment, we



expect that we will continue to do so for some time. This was a significant positive for those clients who chose to invest in our High Income dividend paying mandate. We expect more volatility going forward with central banks dealing with both the Trump 2.0 administration, an uncertain geopolitical environment, and inflation, which may prove sticky. This provides a significant opportunity to position our portfolios for long-term growth.

NORTH AMERICAN EQUITY & HIGH INCOME REVIEW

For the calendar year 2025, the North America Equity portfolio returned 4.0% and the High Income portfolio returned 20.2%. Since our inception in 2011, our segregated portfolios have returned 8.2% and 8.6%, respectively, annualized to December 31, 2025 (please see Figure 2).

Figure 2: Pathfinder Large Capitalization Mandates December 31, 2025

<u>Pathfinder Mandate</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>5 Yr.</u>	<u>7 Yr.</u>	<u>10 Yr.</u>	<u>Std Dev</u>	<u>Incpt*</u>
Pathfinder: North America	4.0	18.5	28.7	-7.8	20.3	12.0	10.7	8.3	10.5	8.2
Pathfinder: High Income	20.2	23.4	6.7	0.9	25.0	14.8	11.9	9.0	10.5	8.6
Pathfinder: Fixed Income	1.3	3.7	3.3	-4.0	-2.0	0.4	0.8			0.3
Pathfinder International Fund	18.9	19.9	25.7	-18.1	9.4	9.9	11.4			10.4
<u>Selected Equity Indices</u>										
S&P/TSX Composite Total Return Index (C\$)	31.7	21.6	11.8	-5.8	25.1	16.1	15.5	12.7	12.8	
S&P 500 Total Return Index (C\$)	12.4	36.2	23.3	-12.4	27.5	16.1	17.4	14.6	12.7	
iShares Core Canadian Universe Bond Index ETF	1.8	4.1	6.6	-11.8	-2.6	-0.6	1.7	1.7	5.2	
Bloomberg World ex US Large & Mid Cap (C\$)	25.6	15.4	12.4	-10.8	8.2	9.5	10.6	8.8	10.9	
Bloomberg Emerging Markets (C\$)	23.2	17.1	7.3	-14.8	1.7	6.1	8.8	8.8	12.6	
Bloomberg APAC, Europe & EM (C\$)	25.0	17.1	10.8	-11.5	4.9	8.5	10.4			

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 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 market value of a company we own rises above what we think it is worth in 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 with an option to buy more shares of good quality companies when prices are lower.

It is worth re-iterating a core principle: the North American portfolio takes a defensive stance. We look for companies that can withstand shocks including trade wars, inflation, higher interest rates, pandemics, recessions, financial crisis, and a variety of other risks that can affect global markets. While we don't always get "paid" for playing defense, our underlying focus is to protect capital.



In the North American Equity portfolio, our best performers were **Toronto-Dominion Bank** (TD CN) +77.1%, **Alphabet Inc.** (GOOG US) +57.7% and **Temenos Ag Sp ADR** (TMSNY US) +39.1%. Two of our best performers happened to be our worst performers last year. It is important to highlight that we look at businesses from a long-term 5+ year perspective, so we often look at short-term stock-specific underperformance as attractive opportunities to top-up positions we view as good long-term investments.

Generally, when we make a new investment, it takes some time for our thesis to evolve (that is the whole point of buying low and selling high!). It can sometimes take a long time for the market to recognize the validity of our investment thesis and as long as our original reason for buying stays intact, we remain unconcerned with short-term negative stock price results. Two new investments we made in the portfolios include **ICON plc** (ICLR US), a global leader in clinical trials management and **Adobe Inc.** (ADBE US), a global leader in creativity software. We view both companies as good long-term investments.

With respect to the losers, **Computer Modelling Group** (CMG CN) -50.1%, **Lululemon** (LULU US) -48.2% and **Diageo plc** (DEO US) -32.6% rounded out the bottom. We believe Computer Modelling Group is attractive today. We visited management in Calgary last winter and came away impressed. We believe Computer Modelling Group has compelling opportunities to deploy capital into M&A. We topped up our position throughout the year. We similarly believe Diageo is attractive. Diageo is a leader in spirits, has strong positions in non-alcoholic beverages and opportunities in emerging markets like India where there is a strong trend towards premiumization, which benefits Diageo which owns some of the leading brands globally.

With Lululemon, we overestimated their potential to grow into the US market. While their performance in Canada and China have delivered above our expectations, performance in the US was below. As a result, we revised our estimate of intrinsic value lower. When we make a mistake, we typically exit the position, but we believe Lululemon shares are currently undervalued. We plan on monitoring the position and looking for a more attractive valuation to exit.

At the end of the year, our portfolio held an approx. 8.9% exposure to **Cash and Treasury Securities**, which has since moved closer to 10% YTD 2026. As we have discussed multiple times, we believe that technology valuations are elevated. While Artificial Intelligence will change the world, change can take decades while hype can elevate valuations in the shorter-term. We have held positions in AI winners such as **Nvidia** (NVDA US) +32.5% and **Alphabet Inc.** (GOOG US) +57.7% for multiple years, and whilst they have benefited our portfolios, we have chosen to prudently trim these positions as they continue to increase, which has played a large part in our portfolio lagging the tech-heavy US indices this year.

While our “defensive” companies proved to mitigate volatility during the height of the trade war concerns in Q1 and Q2, the strong market environment ultimately meant that we were not “paid” for playing defense. Being “defensive” and protecting against capital loss in a variety of scenarios is a core part of our process and we plan on continuing to hold these companies as long as their valuations make sense. To provide an example, **Marsh & McLennan** (MRSH) -15.4% is a dominant provider of insurance advice and brokerage to Fortune 500 companies. In periods of macroeconomic stress, trade wars, and inflation, companies buy more insurance, allowing Marsh & McLennan to



post strong growth even during periods like the Global Financial Crisis, COVID, and the more recent trade related volatility. These are the types of companies that anchor our portfolio and provide resilient cash flows in all environments.

The High Income portfolio had good results considering the mandate, and the change in both market leaders and interest rates. The objective of the High Income mandate is to **preserve capital** and generate a **sustainable income** over the long-term. We do this by focusing on several underlying tenants.

First is Durability. Our portfolios are designed to ensure clients can rely on the income generated, irrespective of the market conditions. As a result, we generally focus on companies with strong balance sheets, customer diversification, and a moat that can protect these cash flows over the long-term.

Second is Growth. We plan ahead for future income requirements. While some companies pay a high dividend today, they have limited prospects for dividend growth or may even face dividend cuts. We balance our portfolios to focus on companies that can grow their dividends over time so that the income streams are sustainable.

Third is Quality. We view stocks as long-term investments in businesses. As a result, only the highest quality businesses operated by high quality management can generate sustainable income over time.

Fourth is Diversification. We diversify income streams across sectors and across mature companies that may have a higher dividend yield against emerging companies that may have higher dividend growth. Having a diversified portfolio ensures that the income is protected even during periods of macroeconomic stress.

We present a comparison between the two mandates in Figure 3. At the end of the year, the High Income Portfolio had less cash (1.2% vs 8.9%), than the North American Equity portfolio. High Income remains fully invested, which is similar to last year and in line with the portfolio mandate. The High Income portfolio has limited exposure to technology stocks and is more weighted to interest sensitive companies (Banks, Insurance & Real Estate). The High Income portfolio also has a much larger weighting towards Canada. The lower interest rate environment combined with the higher exposure to Canada drove the outperformance of the High Income portfolio this year. Over the long-term, we expect the North American portfolio to generate more returns from capital growth whilst the High Income portfolio should generate more return from capital returns.

Figure 3: Pathfinder Large Cap Statistics December 31, 2025

	Pathfinder	
	<u>Nth Am</u>	<u>Hi Inc</u>
Count	27	26
Cyclical	45.0%	25.0%
Defensive	18.4%	12.4%
Semi-Cyclical	28.0%	61.7%
Other	8.6%	0.9%
Canadian	20.7%	87.3%
United States	70.7%	11.7%
International	0.0%	0.0%
Price to Earnings Ratio	24.0	14.4
Price to Sales Ratio	6.1	2.8
Return on Equity	26.8	12.2
Net Debt to EBITDA	1.3	1.6
Dividend Yield	1.2	4.0

Source: Bloomberg Markets LP, Pathfinder Asset Management



Both portfolios have better valuation metrics, which should provide more downside protection during periods of market distress. However, the main goal of the High Income portfolio is not to manage volatility per se, but to manage the durability of the cash flows from dividends. It is the income we care about, and the stream of dividends should grow over time. This mandate, when combined with a detailed financial plan completed by your Wealth Advisory Team, is an excellent component for long-term portfolio construction.

CORE PORTFOLIO STATISTICS

We include Figure 4 below, which presents the difference between the Pathfinder Large Cap mandates and three broad indices produced by Bloomberg Markets LP.

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.

Figure 4: Pathfinder Large Cap Statistics December 31, 2025

	Pathfinder Asset Mgmt.			Bloomberg Markets LP		
	Nth Am	Hi Inc	Intl	Canada	US	Wrid x NA
Count	27	26	33	248	572	1,618
Cyclical	45.0%	25.0%	78.4%	63.3%	50.2%	50.5%
Defensive	18.4%	12.4%	12.2%	15.7%	26.9%	25.2%
Semi-Cyclical	28.0%	61.7%	2.8%	21.0%	22.9%	24.4%
Other	8.6%	0.9%	6.5%	0.0%	0.0%	0.0%
Canadian	20.7%	87.3%	0.0%	97.2%	0.0%	0.0%
United States	70.7%	11.7%	3.9%	2.8%	96.6%	0.0%
International	0.0%	0.0%	89.6%	0.0%	3.4%	100.0%
Price to Earnings Ratio	24.0	14.4	26.5	35.3	32.5	21.1
Price to Sales Ratio	6.1	2.8	8.1	6.1	9.6	4.4
Return on Equity	26.8	12.2	16.4	16.7	18.6	19.1
Net Debt to EBITDA	1.3	1.6	-0.5	2.4	0.6	0.4
Dividend Yield	1.2	4.0	0.6	2.2	1.1	2.4

Source: Bloomberg Markets LP, Pathfinder Asset Management

When our Wealth Advisory Team discusses investment policy with clients and prospects, they discuss three basic options for the operation of an investment portfolio:

1. **“Do it yourself”:** 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. Furthermore, there are certain strategies that are difficult to do by oneself; and/or
2. **“Index”:** 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 panic times) guarantees average returns with an essentially institutional type fee; and/or
3. **“Hire a pro”:** Many people also hire a professional investor. This unfortunately comes with mixed results. There are some great money managers who offer good performance and good service but there is an associated fee. In some cases, it works and in other cases 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 poor client experience. When hiring a money manager, “buyer beware” philosophy holds very true.

I added the “and/or” to 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 Wealth Advisory Team are actively involved in helping clients do this, both within the Funds and Portfolios that we have at Pathfinder and the portfolios that the client may or may not choose to have at other financial institutions.

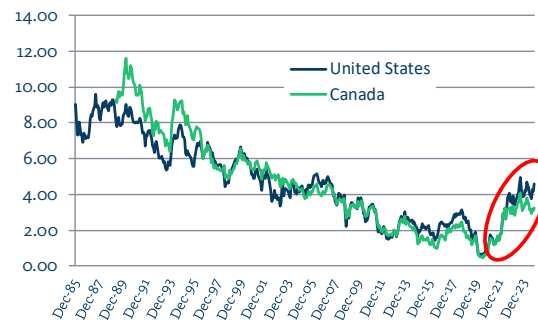
A NOTE ABOUT FIXED INCOME:

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

Historically, 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, and significant, capital gain, once the tenor rolled off and the bond matured, it was very difficult to reinvest for any duration that paid what investors thought was a reasonable rate, given that interest rates would eventually increase again. The longer the low-rate environment persisted, the riskier it was to add long bonds to a portfolio. This is because of the substantial capital loss that would occur on rate reversal. In early 2022, rates did in fact reverse, so now the landscape has changed again. We are now most likely at the beginning of a very long-term adjustment in the stability of bonds as a true portfolio investment option.

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; thus, 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 fixed income a contributing part of our investment process, and this appears to be happening.

Figure 5: 10 Year Treasury Rates January 12, 2026



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, particularly after the recent



structural change in the various interest rate terms. With rates now increasing, we consider fixed income a viable investment alternative, given that it appears that core inflation has somewhat moderated. This year, we have added bonds into some client accounts and expect that over time as opportunities present themselves, further allocation to the asset class in a more balanced approach makes sense. We will also be changing the composition and strategy of the bond portfolio. While there is still some volatility within the fixed income market, we continue to build out the combination of High Income, Fixed Income and some blend of the other more risk capital where that makes sense for the individual investor. Again, our Wealth Advisory Team can help you directly with this.

CURRENT INVESTMENT OUTLOOK

Every year, we reread what we wrote from last 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 all investors. We did the same thing with last year's *Current Investment Outlook* section before we began to write this year's, and we find ourselves again in generally the same situation as last year: strong markets, high valuations, sticky inflation, geopolitical risk, and growing differences between the major economies of the world.

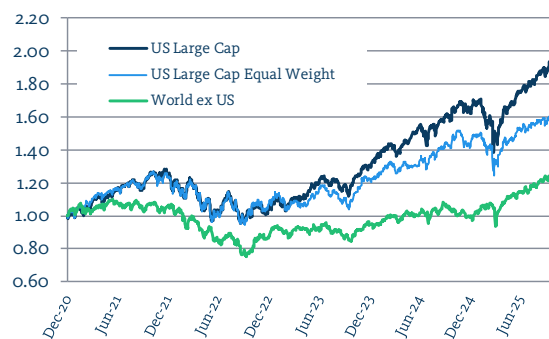
In October of 2022, equity markets had reached the bottom of what was at the time, a very quick bear market (down -24.5%). From there, the S&P500 continues to hit all-time highs. In 2025, after a brief period of significant volatility caused by significant trade and tariff volatility, markets just kept going (Figure 6). The recession that most pundits had called for never came. One thing that I continue to find strange in financial markets is the “next year market prediction” that so many investment banks produce just because the end of the year has arrived. To be clear: there is literally no connection between

economic and market cycles and New Year's Day. This past year is a perfect example of why those predictions should be completely ignored by investors. Essentially, no one predicted that last year's all-time highs would be eclipsed again, and nobody would have predicted an all-time high during the depth of the “Liberation Day” volatility. We find ourselves in a similar dilemma this year. Valuations are clearly high, and the recurring strength of the companies causes everyone, including us, to have serious doubt that equity markets can deliver high double-digit returns for a third year in a row. As a result, we continue to hold a defensive stance.

In Figure 6, we again included the S&P 500 Equal Weight index (light blue line). The S&P500 Equal Weight is comprised of the same stocks as the regular S&P500 index but weighted equally instead of by market capitalization. The equal weight index has historically performed better than the cap weighted index: 10.6% per year for 20 years

Figure 6: Major Market Returns 5 yrs (USD)

January 12, 2026



Source: Bloomberg LP, Pathfinder Asset Management

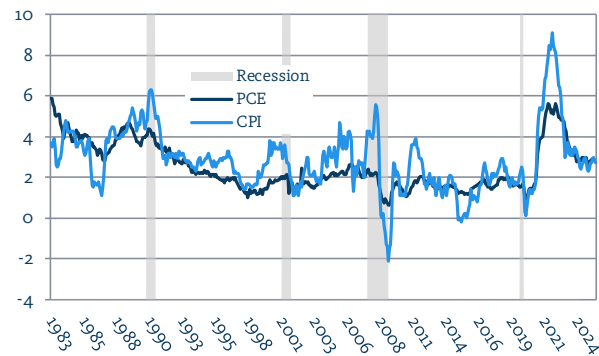


to the end of 2022 vs. 9.8% for the cap weighted. This is because small capitalization companies are represented in the same proportion as large capitalization companies in the equal weight index and those companies typically have more growth, given they are starting from a smaller base. However, this relationship has broken down. This year, the cap weighted index was up 17.9% and the equal weight up only 11.4%. This again reflects the fact that a concentrated group of stocks drove a disproportionate amount of the gains, almost all with an AI-theme. *Seven stocks represented just over half of the S&P 500's gains in 2025: NVIDIA, Alphabet, Microsoft, Broadcom, JPMorgan Chase, Palantir Technologies and Meta Platforms.* I italicized the above statement because incredibly, it is essentially the same trend as the two years prior. Investors should pay attention to this. Market cap indices are used to create ETFs and consequently have become the primary benchmark for all portfolios. A large money manager with tens/hundreds of billions of dollars to invest must use market weighted indices because it is impossible to buy an equal weight portfolio with that much capital. However, most investors do not have billions of dollars to deploy, so an equal, or some other weight portfolio is a real option to consider. It provides small investors with a structural advantage that can be exploited. This is in fact how we manage at Pathfinder.

We again revisit the discussion with respect to inflation as it continues to remain material to all investors. While inflation has been moderating this year, it continues to be sticky. The general outlook for 2026 is for inflation not remain above the Federal Reserve's 2.0% target. With Trump 2.0, the outlook is even more murky. Figure 7 presents

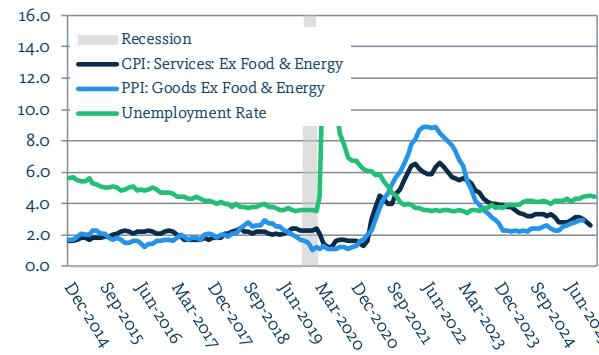
Personal Consumption Expenditures (PCE), which is the FOMC's preferred inflation measure. When the PCE falls to around 2%, the Fed will consider it to be in a "normal inflationary environment" (the dark blue line has been around 2% since the early 1990s). We have also included traditional CPI, which is often quoted in the financial press.

Figure 7: US Inflation Data January 12, 2026



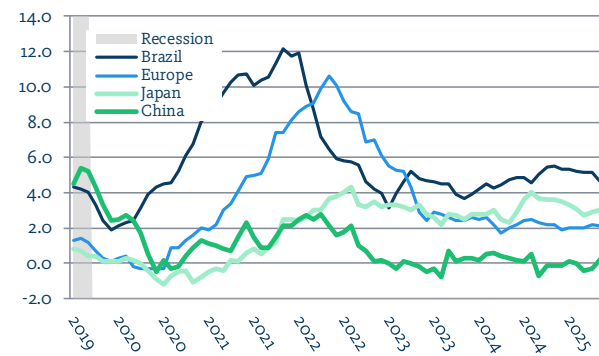
Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Figure 8: US Inflation Drivers January 12, 2026



Source: St Louis Federal Reserve, Pathfinder Asset Management Limited

Figure 9: Select International Inflation January 12, 2026



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited



Both peaked in the early spring of 2022 but remain stubbornly high. The FOMC would clearly like to see inflation back in that stable 2% range from years prior (Figure 8). Clearly, we have seen some disinflationary pressure from the peaks of 2022, but with Trump 2.0, the potential for reacceleration (lower regulations, lower taxes, tariffs, trade wars) cannot be discounted. Unemployment remains low as well, so wage inflation is a real risk if the economy heats up. While a weaker China is an offset, we are seeing signs of green shoots and signs of a rebound in China which could make inflation stickier entering 2026.

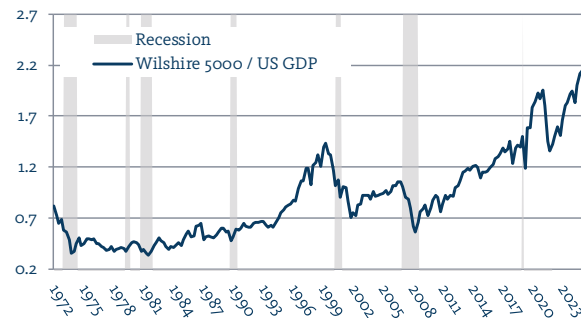
We present headline inflation data from around the world in Figure 9. What strikes us is how different each country is to the others at the end of the year. While they have all peaked, there are significant differences. Japan's current inflation rate (3.1%) is well above its average, given that it has emerged from decades of deflation. China (0.1%) has essentially swapped places with Japan and is now in its own deflationary environment although we see signs of a pickup. Europe (2.1%) is somewhat more normalized, even when compared to the US, and Brazil at 4.3% remains high.

We published The Buffett Valuation (broad US stock market capitalization divided by US GDP) from 1970 in Figure 10. Valuations were at a high in 2021, fell back and then raced back again last year. We are now at an all-time high and well past the peak of the dot-com bubble from the late 1990's. This does give us some concern, especially with respect to technology stocks. We will continue to look aggressively in other areas for good investment opportunities and in fact have already shifted the portfolios to more defensive companies and increased our cash position.

We are paying special attention to what appears to be a growing difference between the economic paths of large blocks of the global economy. The US, China, Japan, and Europe seem to be evolving in distinctly different trajectories. This is different than in the recent past, where globalization resulted in a more correlated environment. The US and China have internalized their focus, both with respect to geopolitical policy and economic independence. The US government appears focused on repatriating domestic production of critical parts of its supply chain and remains tuned to internal activities and limiting external competition. It remains clear to us that the focus is more nationalistic rather than previously the championed globalism of 1990's and early 2000's. One only has to listen to Carney's recent speech at Davos to get a clear understanding of this. China, much like the US, is also actively pursuing a domestic economic agenda. Japan is emerging from a multi-decade deflationary environment and is still actively struggling with a demographic problem (as China will soon be). Europe, in our view, still has economic structural difficulty, and corporate management outlooks continue to be quite depressed.

Figure 10: The Buffett Valuation

January 12, 2026



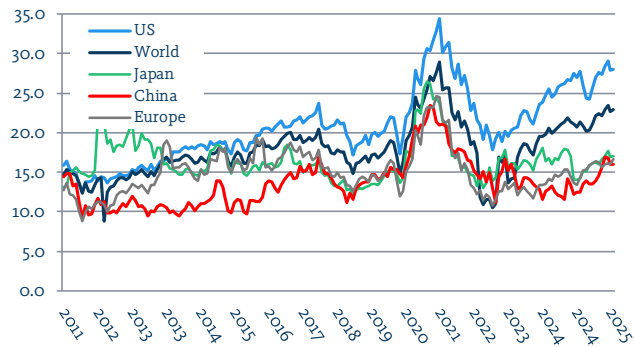
Source: Bloomberg Markets LP, Pathfinder Asset Management Limited



Figure 11 presents valuation statistics for 4 groups that represent 71% of the global economy (IMF data). The difference is quite material and has not been this high in at least the past 15 years. We can clearly see true differentiation by geographic region both with respect to economies and valuations. Thus, there are opportunities to identify companies exposed to regions that we believe will perform better. This will allow us to benefit from true investment diversification across the different regions that we currently invest in.

Figure 11a: Price Earnings Valuations

January 12, 2026



Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Conclusion: We will continue to look for good quality, mispriced investments. The fortunate combination of good valuations (outside of North America) and differentiated economic trajectories provides us the opportunity to position the portfolio for what we believe will be the next cyclical expansion. Over the long term, our investment view remains constructive but cautious.



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 companies that consistently generate and grow cash flow. We expect strong 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. We then 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.

Figure 12: Pathfinder Core 100 Statistics December 31, 2025

	Pathfinder Core 100	Bloomberg Canda	Bloomberg US	Bloomberg Wrld x NA
Count	156	248	572	1,618
Cyclical	54.5%	63.3%	50.2%	50.5%
Defensive	20.5%	15.7%	26.9%	25.2%
Semi-Cyclical	25.0%	21.0%	22.9%	24.4%
Other	0.0%	0.0%	0.0%	0.0%
Canadian	23.1%	97.2%	0.0%	0.0%
United States	39.7%	2.8%	96.6%	0.0%
International	37.2%	0.0%	3.4%	100.0%
Price to Earnings Ratio	23.9	35.3	32.5	21.1
Price to Sales Ratio	5.3	6.1	9.6	4.4
Return on Equity	17.7	16.7	18.6	19.1
Net Debt to EBITDA	1.8	2.4	0.6	0.4
Dividend Yield	2.4	2.2	1.1	2.4

Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

Adding companies to the Core 100 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 views. In 2025, we added companies in diverse sectors like Healthcare (**ICON Plc**), Alternative Asset Management (**Brookfield Corp**), Semiconductor Materials (**Entegris Inc.**) and Broadband Internet (**Cogeco Inc.**). ICON for example is the leader in outsourced clinical trial management. They managed the clinical trial process for Pfizer’s COVID vaccine. Brookfield is a global leader in alternative assets including real estate, infrastructure, and private equity. Entegris is a global leader in supplying materials used to manufacture semiconductors. Cogeco is a leader in broad internet focused on rural areas within Canada and the US. We regularly review companies in the Core 100 with some companies falling off every year. We are always looking to improve the quality of the companies that we consider for the portfolios. We run screens and find companies through our research efforts that fit the parameters of what we consider to be a “good” company.

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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.

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

For more information, please follow the links above to review the fund term sheets.

*All returns are time weighted and net of investment management fees. Performance returns from the Pathfinder Partners' Fund and Pathfinder Conviction Fund are presented based on the masters series of each fund. The Pathfinder North American Equity Portfolio and the Pathfinder North American 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 North American Equity Portfolio (January 2011), Pathfinder North American High Income Portfolio (October 2012) Pathfinder Conviction Fund (April 2011), Pathfinder Conviction Fund (April, 2013), and Pathfinder International Fund (November 2014).

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