

# Pathfinder Investment Outlook

For the week ending February 27<sup>th</sup>, 2026

## Welcome to Volume 16

Welcome back to the Pathfinder Investment Outlook. We are now in our 16th year writing this note for Pathfinder. We have been writing in various formats since 2007 (we are almost 20 years old!). Over the years, people have asked why we continue to write these notes week-in and week-out, given the time commitment and effort from both the Investment and Wealth Advisory Teams. I am of two minds with respect to this:

First, we are ***Equally Invested***<sup>®</sup>. We think that it is important for our clients to understand our investment view and why it is the way it is. All of our collective capital is invested the same way, and personally, if I was a client, I would want to know. We find that those people who take the time to understand our investment thesis generally have better conversations with the Wealth Advisory and Investment Team during our regular meetings. Second, I have found, over the years that the discipline of “putting pen to paper” forces reflection. This reflection has clearly helped with the evolution of our investment thesis. With a formalized investment thesis, portfolio and wealth management are just a matter of execution. However, it all starts from the regular discourse we have as a team, which includes writing the weekly *Outlook*.

As regular readers of the *Outlook* know, earnings season is an important part of our investment process. We wanted to update the results of the quarter so far. Readers will recognize the aggregate sales data for North American companies noted in Figure 1. We prefer to review broad sales data, as it is harder to manipulate than earnings.

- So far, **70.0%** of firms have **reported**, and the **results** continue to be **broadly positive**. This quarter is just as strong as last quarter (8.7% vs 7.9%), which was the strongest in memory.
- Only **Energy** and **Consumer Staples** have flattish growth. **Technology** companies posted even better results than last quarter, at just under 20%. All other industries are quite strong as well. This continues to be **very impressive** and is a bit of a **surprise**. We thought that some deceleration would be appropriate given how fast everything has grown over the past year.

Figure 1: Fourth Quarter 2025 Sales Growth

February 26, 2026

Sector (GICS)	Reported	Sales Growth
11) All Securities	2179 / 3109	8.72%
12) > Energy	128 / 202	0.61%
13) > Materials	143 / 278	6.43%
14) > Industrials	332 / 437	7.02%
15) > Consumer Discretionary	206 / 305	5.91%
16) > Consumer Staples	79 / 121	2.82%
17) > Health Care	257 / 453	11.09%
18) > Financials	484 / 564	11.54%
19) > Information Technology	247 / 344	19.56%
20) > Communication Services	80 / 107	9.69%
21) > Utilities	66 / 81	9.92%
22) > Real Estate	156 / 184	5.10%

Source: Bloomberg Markets LP, Pathfinder Asset Management Limited

“**This means that**” we will update this data again as we get close to the end of earnings but so far, corporate performance continues to take us by surprise and causes us to somewhat rethink our conservative bias.

Michael Rudd, CFA | President, CEO & Portfolio Manager



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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 an insider of companies periodically mentioned in this report. Please visit [www.paml.ca](http://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. Returns from the Pathfinder Partners' Fund and Pathfinder Conviction Fund are presented based on the master's series of each fund. The Pathfinder North American Equity Portfolio and The Pathfinder North American 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 Partners' Fund (April 2011), Pathfinder Conviction Fund (April 2013), and Pathfinder International Fund (November 2014).

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