PATHFINDER

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Pathfinder Investment Outlook

For the week ending August 7th, 2026

What's Real-ly going on out there?

We are a good way through earnings season. Everyone on the investment team listens to management conference calls and reviews the transcripts and commentary for the companies we own. We also follow the news on companies we don't own, it helps us spot trends and issues that aren't yet visible. Headline data often misses what is happening underneath in the real economy, and an offhand comment from a management team can point to an important theme long before it shows up in the numbers. Every investor sees the same headlines; it is the company-by-company work that surfaces insight others haven't pieced together yet, and that can help us position the portfolios "ahead of the curve.". This quarter, we step away from the AI cap ex narrative and look at the real economy:

"The US consumer and the overall economy remained resilient despite the high energy prices. When you pick up the news every day, one would think the world's falling apart. Actually, the consumer continues to perform remarkably well. The unemployment rate in June was lower than before the tariff conflict began. Jobless claims remain low. Job creation has rebounded." - *Capital One Financial ($COF) CEO Richard Fairbank*

"The U.S. economy remains resilient, supported by strong employment, rising household incomes and strong significant wealth accumulation." - *Delta Air Lines ($DAL) CEO Ed Bastian*

"…the economic impacts from the prolonged closure of the Strait of Hormuz have remained moderate. Overall, global manufacturing remained in expansion in June, with the global investment goods output PMI tracking at the strongest quarterly average since 2021." - *Rio Tinto ($RIO) 2026 Q2 Production Results Commentary*

"Despite these inflationary pressures, low unemployment continues to support overall consumer health. Continued high employment levels have acted to limit more broad-based credit impacts, which give lenders the confidence to continue originating loans." - *Equifax ($EFX) CEO Mark Begor*

"And so yes, if you look at it broadly, if you look at the car orders, there is some slight uptick that's there. You're also seeing that in the momentum that we talked about on the industrial side, that's largely a lot of our carload business where we've had record average revenue per car and, candidly, record revenue that's there. So that's encouraging to us as we move and turn into the second half." - *Union Pacific ($UNP) EVP of Marketing and Sales Kenny Rocker*

"This means that" management across multiple "real" industries see a resilient economy defying the headlines. Low unemployment and rising incomes have sustained consumer spending while global manufacturing and rail volumes have improved. Valuations remain high but we think the underlying businesses that we own remain strong.

Michael Rudd, CFA | President, CEO & Portfolio Manager

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Sources: Bloomberg, Pathfinder Asset Management Limited

Disclosure

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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.

Telephone Call Recording Reminder. To maintain accurate records and support quality service, please note that all telephone calls with our office are recorded, in accordance with applicable privacy laws.

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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