

Pathfinder Investment Outlook

For the week ending September 20th, 2024

Meeting Management in Japan

Our readers may or may not know that the Investment Team at Pathfinder meets with hundreds of management teams over the course of a year. Some of the companies we meet with we already own in the mandates and some are their competitors or comparable organizations. Others are potential investments for the future. However, in all cases, we believe meeting individuals that run these businesses is a very important part of the investment process.

Our Portfolio Managers and Analysts meet with management in various ways. Historically, many have come to our office to introduce their organization as a potential investment. We have also travelled to their offices, and depending on the business, have toured their facilities, factories, labs, ports and mining operations. We find visiting management at their place of business particularly important for companies where we own a substantial investment position. Another way that we meet management is at conferences and meetings arranged by the brokerage firms that we use to execute trades. This is a particularly good way to meet a large number of companies in a very efficient format. Conferences can run the spectrum in themes. They can focus on a geographic area (we have been to Singapore for an Asian focused conference), they can focus on a specific sector or theme (we've been Mexico to meet US near shoring opportunities) and they can focus on company size (Canadian small capitalization and venture capital, for example). More recently, we have been taking advantage of video conferencing which permits multiple meetings a year with management... a much more efficient use of scarce analytical resources.

We believe that this work, while difficult and time consuming, is a critical part of the investment management process. We can learn much more about the long-term opportunities and strategy of a company with an uninterrupted back-and-forth with management than reviewing quarterly conference calls and news releases.

Just this past week, Fang, Adam and Mike travelled to Japan for a combination conference and corporate office meeting trip. We met 21 companies from a broad spectrum of industries including companies that we already own and a good selection of firms we do not. This trip was particularly interesting and useful because we had pre-screened a good cross section of firms that we were already interested in investing in. These companies were also happy to meet prospective investors, so the meetings were productive.

“This means that” we will take the next several *Outlooks* to focus on some of the companies that we found interesting and maybe some that we did not. We will then write an explanation of our Japanese thesis and discuss what we expect going forward from this substantial portfolio allocation.

Michael Rudd, CFA | President, CEO & Portfolio Manager

Adam Kim, CFA | Portfolio Manager

Fang Zhou, CFA | Portfolio Manager



Pathfinder Asset Management Ltd. | Equally Invested

1450-1066 W. Hastings Street, Vancouver, BC V6E 3X1

E info@paml.ca | T 604 682 7312 | www.paml.ca

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](#).

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 Real 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 Real Fund (April 2013), and Pathfinder International Fund (November 2014).

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