

Cooper Investors Family & Founder Fund



QUARTERLY REPORT March 31, 2026

AFS LICENCE NUMBER 221794 ABN 26 100 409 890

Performance Summary

Net of fees and expenses	3M	FYTD	1Y	3Y*	5Y*	Inception*	FY2025	FY2024	FY2023	FY2022	FY2021
Cooper Investors Family & Founder Fund %	-7.58	-8.37	-7.64	5.49	4.10	6.65	12.79	9.52	11.63	-12.06	28.37
MSCI Midcap Net Dividends AUD %	-3.04	1.63	7.68	11.92	8.33	8.82	20.47	10.41	15.74	-11.99	32.09
Relative 1 %	-4.53	-10.00	-15.32	-6.42	-4.24	-2.17	-7.68	-0.89	-4.11	-0.07	-3.72
MSCI AC World net dividends in Australian Dollars %	-5.75	2.96	9.19	15.70	11.83	11.65	18.38	18.98	20.38	-8.02	27.72
Relative 2 %	-1.83	-11.33	-16.83	-10.21	-7.74	-5.00	-5.59	-9.46	-8.75	-4.04	0.65

Past performance is not a reliable indicator of future performance

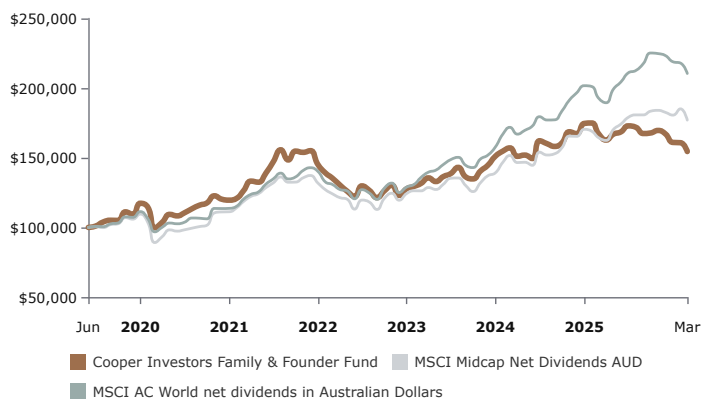
Inception Date: 2 July 2019

Source: Internal CI data reports, March 31, 2026

*Annualised

MSCI AC World is the Fund's Benchmark, MSCI Midcap is a reference benchmark.

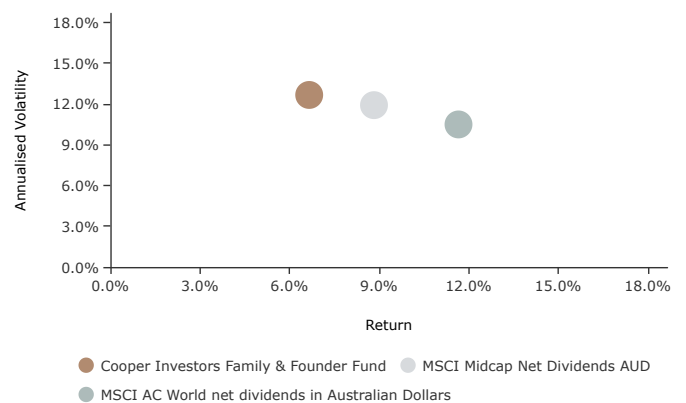
\$100K INVESTED SINCE INCEPTION (NET)



Past performance is not a reliable indicator of future performance

Source: Internal CI data reports, March 31, 2026

RISK/RETURN SINCE INCEPTION (PER ANNUM)



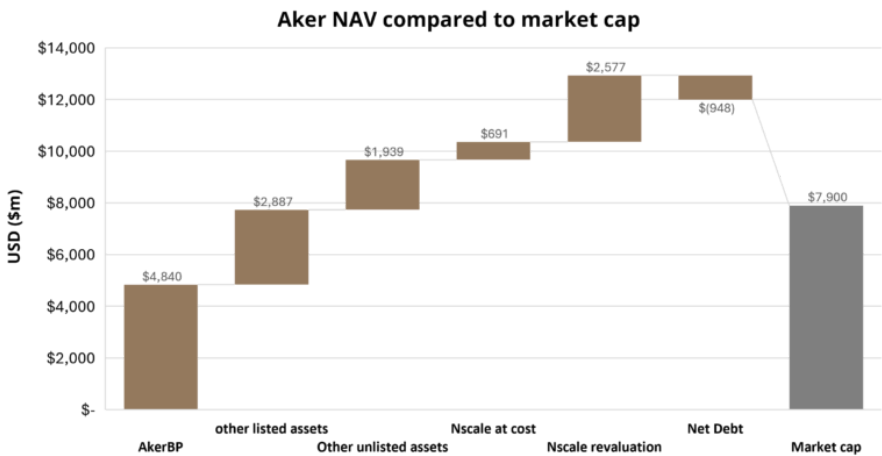
Quarterly Highlights

- The Fund returned -7.6% for the quarter.¹
- Contributors to performance included Aker ASA (AKER) and Royalty Pharma (RPRX).
- Detractors from performance included Constellation Software (CSU) and Ryan Specialty (RYAN).
- Currency fluctuations detracted from performance this quarter as the AUD strengthened. Over the past 12 months, the AUD's 10% appreciation against the USD has acted as a significant headwind to total returns.
- Since inception the Fund has returned 6.7% p.a.¹

Families and founders have plenty of experience when it comes to sailing rough seas. The performance of the Fund this quarter is captured in both the African proverb "Smooth seas don't make skilled sailors" and in the reality we are experiencing that could be summed up as: choppy seas bring out the best in skilled sailors. Of course, given my almost 20 years in listed equity markets, I'm an unusual-tides, changing-wind kind of guy. The equity markets have been rough, but we see them as an opportunity to show the skill of our sailors and the experience we at Cooper Investors have acquired in over 24 years of sailing equities seas.

Kjell Inge Rokke is the founder behind **Aker**. Beginning life as a fisherman in the seas surrounding Norway, Rokke took control of Aker in 1996 and owns 67% of Aker shares. Today, the holding company navigates shipping and energy along with opportunistic investments in real estate and artificial intelligence (AI). Aker has returned 70% since being added to the Fund three and a half years ago. In this quarter, the share price increased 40%.

The increase in share price is driven by two factors. First, higher oil prices lifted the shares of its largest holding Aker BP. The second personifies the entrepreneurship of founders and families that are the distinctive focus of this fund. Nscale is an AI CPU (Central Processing Unit) cloud provider founded by Australian Josh Payne. Aker has since participated in several rounds of funding and stakes being swapped for equity to hold a 24% stake worth more than USD\$3bn. The capital Aker has invested in both cash and assets in Nscale is less than USD\$1bn and is likely to be revalued upwards in the coming quarters. The graph below visualises this value creation and value latency, and patience that is distinctive to family and founder investment holding companies.



Source: CI Analysis

The Fund first purchased Aker in 2022 at approximately NOK720, seeing a more than 20% discount to NAV. The shares steadily declined to more than NOK600 over the next two and a half years with the oil price coming off. Aker has since refocused on fewer core assets and pursued opportunities, which had driven improved business performance and increased its dividend. The share price finished the quarter at NOK1080 with dividends received nearing NOK148 per share received over the holding period. With the updated NAV at its next earnings result reflecting the new Nscale value, we see the discount has increased to more than 30%.

Royalty Pharma (RPRX) was also a strong performer. While there was no major news during the period. We observed a consistency of operating performance. We had the opportunity to meet with founder and CEO Pablo Legorreta in this quarter. He shared both his early frustration at being priced out of too many good biotech royalties when first starting out in the 1990s, and gaining inspiration from how film maker Stephen Spielberg used cash flow from film libraries as security to fund new investments. Spielberg pioneered the film library as asset backed financing for future projects; Legorreta did the same for biotech royalties. It's this willingness to look at problems in unusual ways that we continued to observe in conversations with founders and family stewards. Today, we are particularly impressed by the way Royalty Pharma is able to maintain equity returns when writing cheques for deals at both USD\$5m and USD\$5bn. Royalty Pharma has now been listed for nearly six years and has generated a consistent 15% return on invested capital, while acquiring USD\$10bn of new royalties.

¹ Past performance is not a reliable indicator of future performance.

Portfolio Insights & Market Observations

The two Capital Pools of the Fund – Real Assets and Compounders – had very different performance through this quarter. While the tide of the Iran war lifted all Real Assets boats with tangible assets and low obsolescence, the service, software and data Compounders found themselves in a storm of AI controversy, opinions and misunderstandings. These conditions were an opportunity to draw on our relationships, prioritise our in-person meetings and leverage our deep commitment to observation and comparison.

Through the complex mix of quantitative and qualitative information on both the stocks and the industries, we see unique opportunities for the incumbents to deepen their hold on the customer, expand product offerings and benefit from the AI innovation. At the end of the day, it comes back to customer proposition and our families and founders (along with their trusted insider employees) are uniquely close to their customers. Often starting their ventures to meet a unique, niche or underserved market, these founder and family-led firms can be easily misunderstood. We believe it's this type of misunderstanding that had some of our holdings heavily sold down due to broader AI concerns.

Two holdings that did not contribute this quarter were **Constellation Software (CSU)** and **Ryan Specialty (RYAN)**. Despite reporting 22% growth in full year earnings, the Constellation share price was down 30% in the quarter. Constellation shares are now trading on less than 14x PE; multiples not seen since 2013. Ryan shares also traded down 35% and is on 14x PE; its lowest since listing. What we find compelling about both is their deep knowledge of their clients, and their ability to respond to the needs of clients in niche markets. There is also value anchored in social norms, such as recording a burial plot's position, ownership and change as sea levels rise, arranging a local permit to moor a boat, or arrange speciality marine insurance.

Constellation Software is one uniquely positioned company that serves a highly fragmented customer base of over 150 different verticals. It is also the Fund's core software investment. Their solutions range from public transport operations to distilleries and window manufacturers. Their customers' needs are highly specific, customised and mission critical. The cost of Constellation's software solution is often minuscule in the customer's budget, typically representing less than 1% of the operating expenditure. This significantly disincentivises migration, given the risk associated with swapping out essential software tools, keeping company churn rates below 5% p.a.

Constellation can continue, and in some cases step up, its acquisitions of vertical market software companies at more than 20% returns. Unlike many in the software sector, Constellation generates real earnings and multiples, and uniquely they have no stock compensation; an earnings quality issue many others in the sector face. The founder, Mark Leonard, along with his family holds a significant stake (7%) with a further ~10% held by executives, directors and employees. Founded in 1995 with the aim of assembling a portfolio of leading software providers, this venture has become established in a different political, economic and social world. We take this into account in considering the influence a founder and family have in decision making through their ownership stake. Constellation also represents a good example of the employee-owned feature of the Fund. These long-term, highly committed employees have real skin in the game alongside founders and their families.

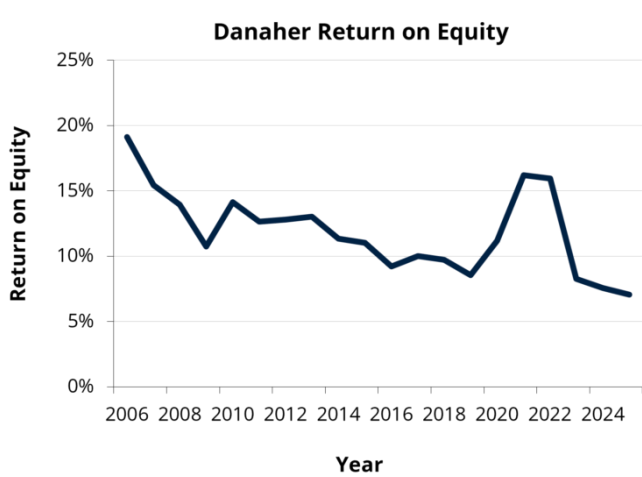
With regard to Ryan's strength of customer proposition, the long-standing service of speciality insurance broking involves several aspects of judgement and tacit knowledge in underwriting that we don't anticipate being challenged by probabilistic modelling for some time. In addition to the technological barriers, this sector is shaped by the preferences of carriers who actively work to prevent price being a single differentiator. Deep industry expertise, the importance of client service through relationship intermediaries, and the need for highly accurate information all point to a continuing role for industry experts. The CI investment philosophy recognises these social environments that interact with available technologies. While RYAN is currently not contributing to Fund performance, we see latent value in their ability to ride the wave without being tipped out of the boat. Founder Patrick Ryan has been successfully navigating insurance since first founding Aon in 1964.

During the quarter the Fund bought **Thomson Reuters (TRI)** and sold out of **Morningstar (MORN)**. Founded in 1851 by Paul Julius Reuter, the news service that pioneered carrier pigeons and telegraphy is today the trusted Reuters media network. Still adhering to the Trust Principles in media reporting established during World War II, Thomson Reuters is at the forefront of journalists using AI to enhance accurate reporting. Roy Thomson acquired his first newspaper, *The Timmins Press* in 1934. Today, the Thomson family through their holding company Woodbridge, holds a controlling majority and David Thomson serves as Chairman. Although both companies started in media, today Thomson Reuters generates the bulk of its profits from specialised content for professionals.

Australian CEO Steve Hasker exemplifies the operational excellence and talent required to partner with family stewards and drive further success. Joining in March 2020, we have been impressed in meetings by his career-long dedication and personal understanding of the fiduciary professions that Thomson AI products support. Hasker has lived experience of the technologies in accounting and management consulting along with deep networks to a wide range of professionals. We have conviction in the combination of family values, tools that fiduciary professionals trust, and a long history of technology innovation that Thomson Reuters brings to the portfolio.

We see Thomson Reuters in a unique position to leverage AI. One example is their *WestLaw* and *CoCounsel* product suite for legal, compliance and regulatory professionals. Unlike many AI-powered software solutions that are relying on new data sets, Thomson Reuters' century-old library of laws, legal opinions and precedents cannot be easily re-created. They continue to have members of the professions both curating and contributing to effectively enhance product development. This 'by the profession, for the profession' aspect of Thomson Reuters is deep in their journalistic family DNA and is compelling for us. In contrast, our conviction in the proprietary nature of Morningstar's data sets and customer proposition in the new AI agentic world has waned.

The Fund also sold its long-held position **Danaher (DHR)**. Danaher, the original family/founder Compounder, morphed from an industrial company 20 years ago, to a leading supplier into the biotech and life sciences industry. Danaher was a COVID winner, which then subsequently led to a post-COVID hangover. The key debate has been the management and Board's acquisition discipline eroding – see below graph of Danaher's steadily declining Return on Equity. A concern we have been monitoring closely over their recent acquisitions has been a willingness to accept lower returns at their scale.



Source: FactSet, CI Data

During the quarter, Danaher announced the acquisition of Masimo (MASI), a leader in pulse oximetry monitoring. Masimo's products dominate the hospital setting with the plastic clip that sits on the finger. We struggle with the return profile of Danaher paying 30x profits (or 3% earnings yield) for a company already generating 27% operating profit margins. Danaher has had a track record of successful acquisitions on these valuation multiples but historically there has been a significant margin opportunity alongside it, which we struggle to see today. Even our most beloved and long-held positions are subjected to the rigor of our ongoing VOF and risk review frameworks.

Closing Thoughts

Today's families and founders, along with their trusted employees, in the portfolio are well positioned to deliver strong risk-adjusted returns with significant value latency across all Capital Pools. Tides can and do turn. Our commitment to these unique enterprises and stewards remains strong.

For our investors who feel uneasy in these troubled times, I give to you the words of the Roman poet *Ovid* who observed that, “The man who has experienced shipwreck shudders even at a calm sea”. Our experiences, our life lessons and our passion for the sea help us keep those shudders at bay. We don't ignore them, but we also don't over-react to them. It's a calmness in the face of change and potential calamity that we are reminded of in our interactions with families and founders.

Below are the key metrics of the Fund. Full-year earnings played out largely as expected. 2025 earnings grew 13% for the portfolio holdings. The Fund is trading on multiples and valuations our portfolios have not seen since 2015. We are excited by the opportunities ahead. Across the holding companies, we observe double-digit NAV growth vehicles trading with compelling discounts, and management teams with the ability to return capital to shareholders through highly accretive buybacks. We remain a long-term observational investor and take interest in the de-rating of Compounders that has and will continue to unearth compelling opportunities to allocate capital.

Cooper Investors Family & Founder Fund	Metrics
Return on Equity	16.6%
Earnings growth 1Y	12.0%
Dividend yield	1.4%
Net Debt to EBITDA	1.0
Price to Earnings NTM	15.6
Number of stocks	29

Source: Facset, CI data as at 31 March 2026

Portfolio Snapshot

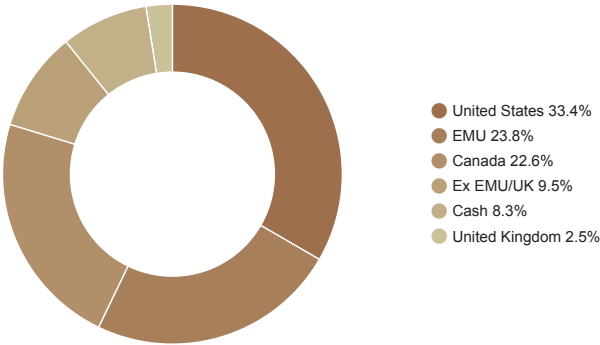
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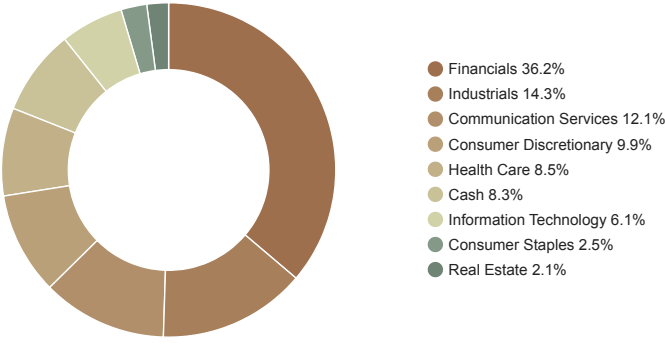
TOP 10 FUND HOLDINGS

NAME	NAME
Brookfield Corp	Constellation Software Inc.
Royalty Pharma	Aker ASA
Ferrovial SE	D'leteren Group
L E Lundbergforetagen AB Class B	EXOR N.V.
Ackermans & Van Haaren	Power Corporation of Canada

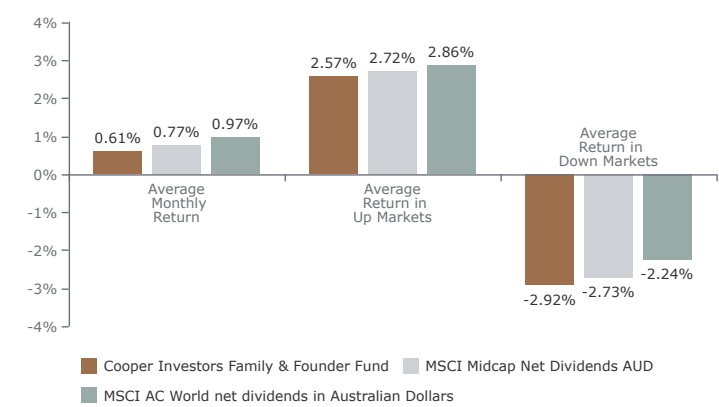
REGIONAL EXPOSURE



SECTOR EXPOSURE



SINCE INCEPTION NET RETURNS IN UP/DOWN MARKETS



Further Information

Looking for further information regarding the Fund, please don't hesitate to get in touch:

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Financial product advice contained in this document

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