

Cooper Investors Global Equities Fund (Unhedged)



QUARTERLY REPORT September 30, 2025

AFS LICENCE NUMBER 221794 ABN 26 100 409 890

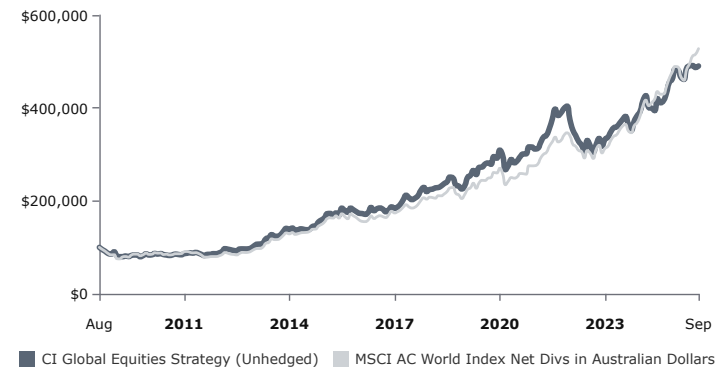
Performance Summary

Net of fees and expenses	3M	FYTD	1Y	3Y*	5Y*	10Y*	Inception*	FY2025	FY2024	FY2023	FY2022	FY2021
CI Global Equities Strategy (Unhedged) %	-0.04	-0.04	18.00	17.17	10.26	10.81	9.76	24.38	7.52	19.30	-13.66	26.25
MSCI AC World Index Net Divs in Australian Dollars %	6.42	6.42	22.75	21.88	15.34	12.56	10.23	18.38	18.98	20.38	-8.02	27.72
Relative %	-6.46	-6.46	-4.75	-4.71	-5.08	-1.75	-0.47	6.00	-11.46	-1.08	-5.64	-1.47

Past performance is not a reliable indicator of future performance
Source: Internal CI data reports, September 30, 2025

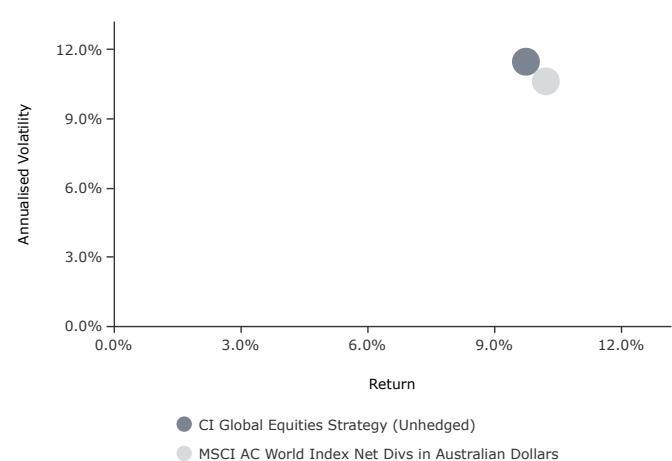
Inception Date: 1 September 2008
*Annualised

\$100K INVESTED SINCE INCEPTION (NET)



Past performance is not a reliable indicator of future performance
Source: Internal CI data reports, September 30, 2025

RISK/RETURN SINCE INCEPTION (PER ANNUM)



Performance Commentary

Notwithstanding a flat return for the quarter, we are pleased to report a rolling 12 month return of 18.0% post fees¹. As we have previously noted, our portfolio structure is largely uncorrelated to the index, therefore returns should not be expected to move in line with the index. We also counsel investors against expecting this level of absolute return year-in year-out. For those of you that enjoy studying long term market returns, you will be aware that history (and a wealth of academic studies) suggests a realistic return expectation from the broader market is circa 9-10% compound over rolling 5-10 year periods.

We are seeking to deliver you, after all fees, a premium over the long-term market returns. However, as we are running an index unaware portfolio structure, portfolio returns may differ materially from the index over shorter periods.

As has been well covered in the broader financial press, a handful of predominantly US based technology firms continue drive a disproportionate share of overall market return. We say this not to make predictions on the existence or busting of bubbles, only to provide context on how our portfolio is structured quite differently to the benchmark.

Roughly 70% of the portfolio is invested in businesses outside of the software and technology space. Our capital is invested in our areas of focus being Content businesses (e.g. TKO discussed below), Royalties (e.g. PSK we discussed in our [June letter](#)) as well as Niches and Rollouts. These are businesses that can not only create wealth but maintain it through cycles.

The software and technology businesses that we do own are, for the most part, positioned outside of AI exposed supply chains. Instead, we have invested in businesses providing mission critical software to specific industries. For example, Bentley Systems whose tools are indispensable for engineers designing infrastructure such as toll roads, bridges and railways.

We anticipate that the Fund's excess returns will be delivered as our companies continue to execute on their strategic plans over the coming years. We believe this will occur independently to the reversion (or otherwise) of current in-vogue investment themes. We discuss CME Group at the end of this letter which serves as another example of the Fund's differentiated return profile.

As a final matter, during the quarter the Fund's investment memorandum was updated to revise the permitted number of holdings from 30-50 to 25-50. For most of the last year the portfolio has held 30 investments and currently holds 28 investments.

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

CONTRIBUTORS TO PERFORMANCE

The largest positive contributors to Fund returns over the past 12 months were our holdings in **Scout 24 (G24)** and **TKO Holdings (TKO)**.

Scout 24 (G24)

Scout24 is Germany's leading online property portal (the equivalent to Realestate.com in Australia). We have been investors in Scout24 since 2020, having followed the business for several years prior. We outlined our investment journey in the [June 2025 Quarterly Report](#).

In short, our investment proposition back in 2020 rested on management's decision to sell its automotive portal and focus on the core property portal. Financial and management resources were then focused on re-invigorating the property business. This investment period resulted in impressive growth in operating metrics such as customer numbers. Inevitably this operational momentum drove improved financial performance - sales growth accelerated, and margins expanded. As would be expected, the share price followed suit, roughly doubling in the two years to June 2024. Consequently, we have meaningfully reduced the size of our investment over the past 12 months.

In September, Scout24 announced the acquisition of Spain's number two and three property portals. At less than 2% of Enterprise Value the deal is not material to value, however we suspect that management's desire to expand outside their core market suggests that they believe they have exhausted most latencies in the core German business.

TKO Holdings (TKO)

TKO Holdings is the owner and operator of the two leading combat sports content assets – the Ultimate Fighting Championship (UFC) and World Wrestling Entertainment (WWE). We wrote about TKO in our [September 2024 Quarterly Report](#) and provided an update in our [June 2025 Quarterly Report](#).

We have been investors in TKO for a little over one year. Our investment proposition is based on the increased demand for sports media rights from traditional broadcasters/cable as well as global streaming platforms (Netflix, YouTube, Amazon, Apple). These media companies see live sport as crucial to maintain and grow viewer numbers and/or subscribers. Given the year-round volume and flexibility of both the WWE and UFC, TKO's assets are well positioned to benefit from this trend. In addition, TKO benefits from a powerful flywheel where in addition to media rights, it monetises its content via Sponsorships (e.g. Monster Energy on the Octagon) and Live Events (with site fees paid by local governments and ticket sales).

During the quarter, TKO renewed its most important media deal being the US UFC rights. Renewals of this significance are seeking to maximise two criteria – absolute dollar value and the reach of the media partner, which then drives other parts of the monetisation flywheel. TKO signed a seven year, \$7.7Bn deal with Paramount+, which on an annual basis is more than double the current deal with ESPN.

While this is clearly a very meaningful increase, we think that the benefits to other parts of the flywheel may be just as impactful in time. Under the current deal, UFC's premium events sit behind a double paywall of an ESPN subscription and an \$80 pay per view charge. Consequently, viewership of these fights in the US is in the low millions range (and it is believed even more viewers pirate illegal streams). Under the Paramount deal, all UFC events will be available to Paramount+'s circa 50 million subscribers for the monthly subscription fee of roughly \$10. In addition, some events will be simulcast on broadcast network CBS. This huge step-up in exposure meaningfully increases the value of sponsorship inventory (what will Monster Energy pay to stay in the middle of the octagon when the deal renews?). It will also serve to grow the fanbase, driving ticket prices at live events and the likelihood of local governments paying site fees to bring the UFC show to town. While the market value of this company is starting to recognise some of this likely upside, we remain enthusiastic shareholders.

The largest detractors from Fund performance over the last year were **GE Healthcare (GEHC)** and **B&M European Value Retail (BME)**.

GE Healthcare (GEHC)

GE Healthcare is a US based medical device company which was added to the portfolio in late 2023. The company's primary products are large, sophisticated imaging machines (ultrasounds, X-rays, CT scanners etc.). GEHC was spun out of GE in early 2023, setting the business up to benefit from a classic "focus dividend" - a dedicated management team in charge of capital allocation and strategy now able to drive value creation from a group of assets that had not been optimised within a large organisation like GE.

Early progress was solid, particularly around improvement in operating margin. However, the external operating environment, particularly in China, has been difficult. GEHC's products are large systems and tend to be somewhat discretionary capital expenditures. The Chinese government has withheld stimulus from hospital budgets, leaving little scope for these sorts of capital expenditures. This risk underlines our preference for businesses providing niche products and services. Additionally, GEHC has been caught in the crossfire of trade and tariff policy between China and the US as the company both imports components and sells systems to China. Given these uncertainties and our ability to find attractive opportunities elsewhere (including in healthcare) we exited our GEHC investment in April. We remain on the lookout for attractive spin-off opportunities within our areas of focus.

B&M European Value (BME)

B&M European Value is a variety discount retailer in the UK which had been in the portfolio since November 2022. The company's disappointing results over 12 to 18 months eventually resulted in the CEO's resignation in early 2025. During our investment period operating trends weakened and whilst some of this was driven by the economic environment, the customer value proposition and management execution have both been diluted. We were not fast enough in recognising this and exiting the position. We are no longer shareholders.

CME Group (CME)

“The need for risk management has never been more important – in every market and every corner of the world. Geopolitical and economic risks continue to accelerate”

– Terrence Duffy, CEO of CME Group.

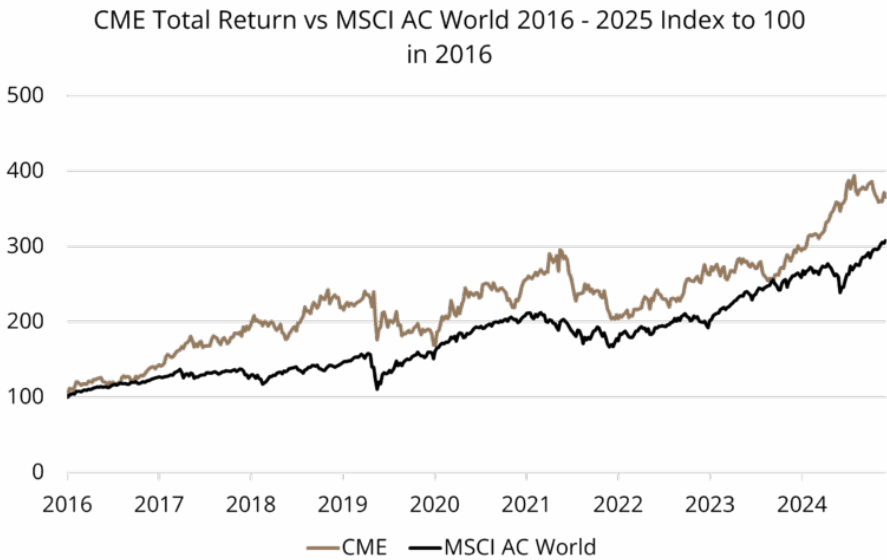
CME is the largest global derivatives exchange operator. The Fund has been invested in CME since early 2024, having also owned the business from 2016 to 2021. Given its royalty like features, CME sits in the Real Assets and Income capital pool of the portfolio.

Focused Management Behaviour

CME has been led by CEO Terry Duffy since 2016. Terry’s association with CME spans multiple decades. While bartending through college in the early 1980s he frequently served traders; impressed by his quick mind, one of these traders encouraged Terry to join him on the floor of the exchange. Terry’s family was of modest means and needed to mortgage their home to raise the \$50,000 required to buy a CME membership. This was a risk they almost came to regret when in the first months of his trading career Terry misheard an order resulting in a large financial loss. Fortunately, his mentor stepped in to provide a guarantee and Terry committed to three years of working multiple jobs to pay off his losses. This lesson, around approaching risk and what to do when things don’t go as expected, has stuck with him ever since.

Terry worked his way up through the business and joined the CME board in 1995, and when the company went public in 2002 he was appointed Chairman. He then oversaw the transformational mergers with CBOT in 2007 and NYMEX in 2008. In 2016 he stepped into the CEO role with a mandate to increase focus on enhancing product development and service delivery to clients and de-emphasise internal loss making projects.

As a leader Terry has built a culture obsessed with delivering value to customers through product innovation. Over his tenure as CEO, CME’s performance has been exceptional – compound annual growth in volumes of 7% has translated to 9% revenue growth, nearly 10% EPS growth and 16% total shareholder returns.



Source: Factset, MSCI

Despite this success, Terry has lost none of his Chicago pit trader charisma, telling us in a meeting several years ago - “we raised over \$100M [at IPO] and I thought that was a s**t tonne of money, now it feels like we spend that in a month”.

His tenure as CEO will come to a close at the end of 2026. His focus over the last several years has been to identify and promote talent within the organisation who can continue to lead the company - the average tenure of the key executive team is over 16 years with many having been with CME for over 20 years. We believe the business will be in good hands.

Industry and Strategic Trends

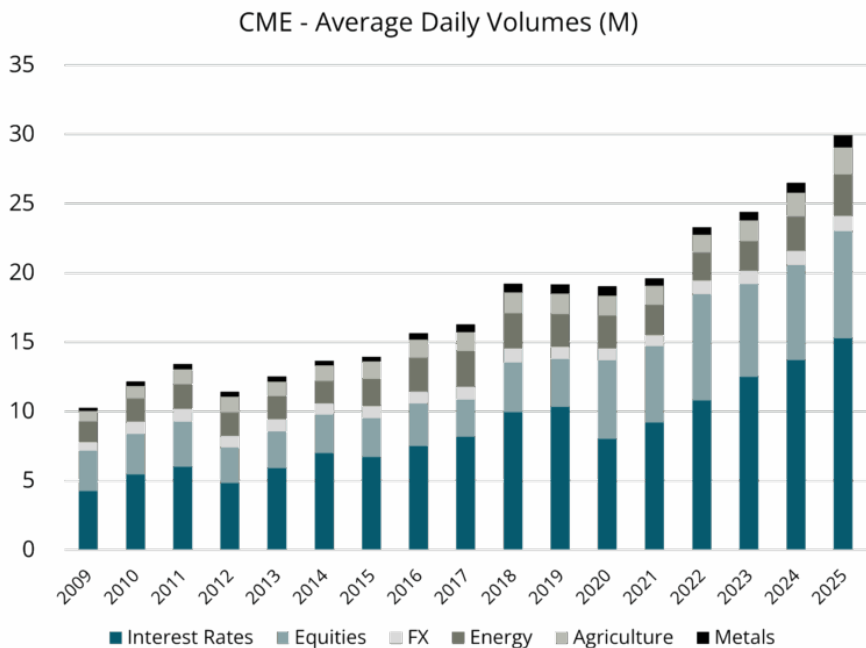
CME’s role is to bring together buyers and sellers of derivative contracts (futures and options) on underlying assets. These buyers and sellers are either managing risk on their underlying asset (hedgers) or attempting to generate trading profits by providing liquidity (speculators/investors). CME generates revenue by charging a per contract fee based on the volume traded (and cleared). In addition, they sell market data generated by activity on their exchange.

CME is an effective royalty on financial speculation and hedging by taking a few cents per contract traded. As trading activity expands or new types of assets are traded, revenues grow. In addition, CME is required to make minimal investment to participate in the growth of this activity. This is best demonstrated by group operating margins of 68% as each additional contract being traded on CME’s exchanges delivers a very high incremental margin.

In uncertain environments, volatility increases and consequently so does the need to manage risk - this drives higher trading activity and hence revenues to CME. Put another way, CME’s revenues often increase when asset prices are falling. The idiosyncratic nature of CME’s business means that our investment in CME provides a stabilising benefit to the broader portfolio.

CME revenue base is diversified across six key asset classes (with Crypto an emerging seventh). Products across the key areas include derivatives over:

- Interest Rates – US Treasuries, SOFR, Fed Funds
- Equities – S&P 500
- Foreign Exchange – JPY/EUR/GBP-USD
- Energy – WTI Crude, Henry Hub
- Agriculture – Corn, Wheat, Soybeans, Livestock
- Metals – Gold, Silver, Platinum, Copper, Aluminium
- Crypto – Bitcoin, Ethereum



Source: Company Filings, CI Analysis

This breadth of product provides diversification benefits to CME but also forms part of the customer proposition. Market participants can “cross-margin” across CME’s products which reduces the amount of margin capital they need to hold against trades. This is a substantial efficiency benefit to the customer base.

CME typically enjoys 90%+ market share across its product sets. This is due to the specific nature of the products - these are benchmarks in the truest sense. But more important are the fundamental economics of exchanges. Often described as “liquidity begets liquidity” where the network effect is strongest. The tightest bid-ask spreads exist where there are the greatest number of buyers and sellers. This encourages more traders to participate, driving up liquidity, and so on. In conjunction with the regulatory requirement for central clearing (the central management of contract settlement) which is also managed by CME, we can see all the hallmarks of a dominant and functional monopoly that also benefits customers by reducing trading costs.

CME has experienced challenges to its dominant status over the years. Notably, Howard Lutnick, ex CEO of BGC and current Secretary of Commerce has attempted to challenge CME twice. First with Electronic Liquidity Exchange (ELX) in 2009, a BGC backed, bank supported US Treasury exchange. Here ELX attempted to undercut fees to no avail; liquidity remained key. ELX was wound down and shut in 2016. Lutnick attempted a sequel in 2024 with the FMX Futures Exchange. This time a BGC led, independent company partially owned by a consortium of banks. The new angle this time was free trading and cross margining leading to capital efficiency. Thus far, traction has been limited – with only a few thousand trades per day, dwarfed by CME’s average daily trading volumes of 5 million. Once again, liquidity is key. A trader paying CME 40-50 cents per contract (with a notional value of hundreds of thousands of dollars), gains 10-30 times the contract fee in cheaper trading execution due to superior liquidity on the CME. Though the threat is not over, we have observed very little traction by FMX across over a year of trading.

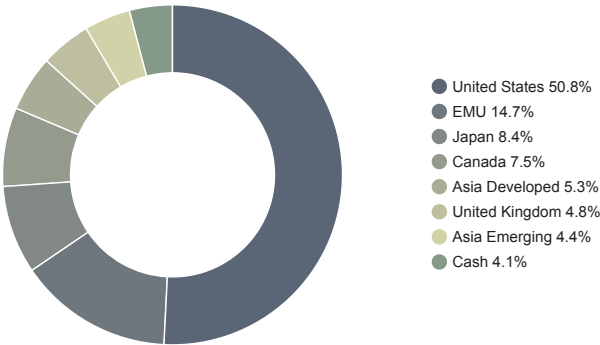
Unlike other exchange groups, CME has stayed away from large acquisitions into areas such as software, data and analytics, preferring to focus on the core exchange business. To this end the company has grown the product suite by asset class (e.g. crypto) and form (e.g. “mini” futures contracts) to benefit from inevitable industry trends such as growing international trading of CME’s products, retail participation in financial markets and the general rise of derivatives as instruments for managing risk and speculation.

VALUE LATENCY

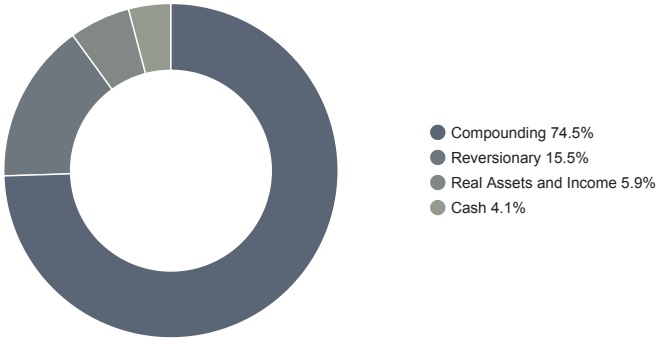
Over the long-term CME has grown volumes at 7%. We believe there are a range of growth drivers which can support this rate sustainably over the long-term with the optionality to accelerate through product innovation and secular market participation tailwinds. In combination with CME’s circa 4% dividend yield we see a base case return in the low teens.

Latency then stems from inevitable bouts of volatility which we note that in the current geopolitical and macroeconomic environment can be rapid, violent and frequent.

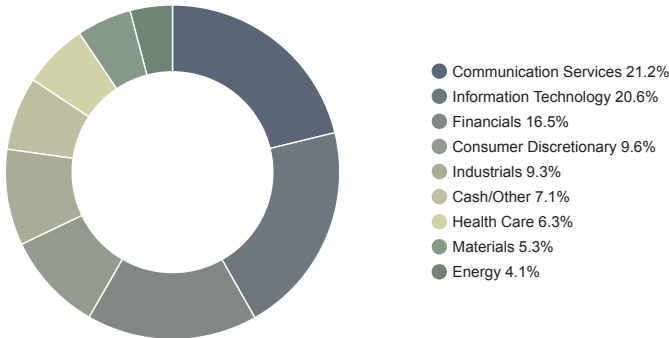
REGIONAL EXPOSURE



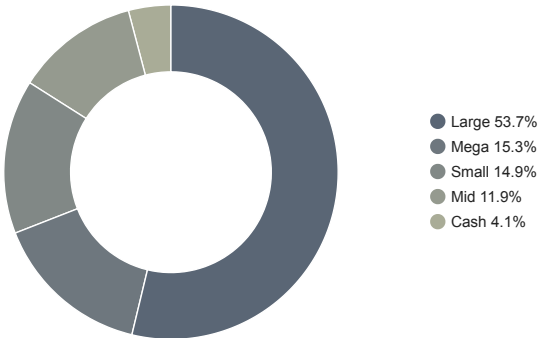
CAPITAL POOLS



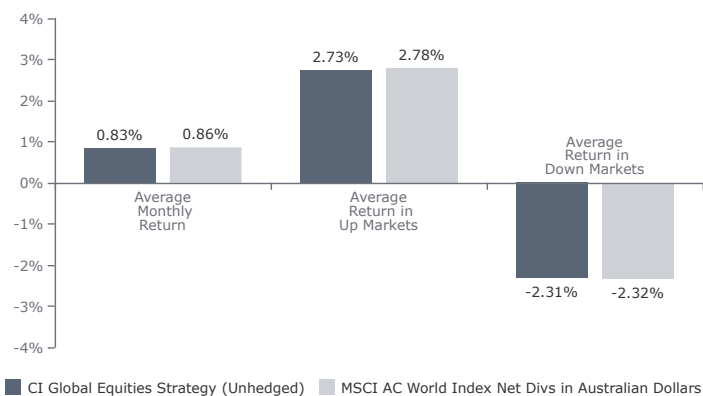
SECTOR EXPOSURE



MARKET CAPITALISATION



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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