Q3 2026 Conference Call Edited Transcript

Kopernik Global Investors, LLC

Edited Transcript of the 3rd Quarter 2026
Conference Call with Dave Iben

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Mary Bracy: Good afternoon. I'm Mary Bracy, Managing Editor of Investment Communications here at Kopernik. Welcome to our third-quarter 2026 investor conference call. Please note that today's call is being recorded. You may submit questions at any time using the Q&A box, and we will address them at the end of the call. I will now turn the call over to Mr. Kassim Gaffar for a brief firm update.

Kassim Gaffar: Thank you, Mary. Welcome everyone to the third quarter 2026 conference call. I'm joined by Dave Iben, our Co-CIO and Lead Portfolio Manager for the Kopernik Global All-Cap Strategy and Co-Portfolio Manager for the International Strategy. Before I pass the call to Dave, I'll be providing a quick firm update. From an asset standpoint, we closed the quarter in a strong position with approximately $10.8 billion under management, compared with roughly $9.4 billion at the start of the year.

The growth in AUM was driven by slight market appreciation and positive net flows across our funds. From a personnel standpoint, at the end of the third quarter, we stand strong with 50 employees, with no material changes to report. Moving along, just a couple of quick key housekeeping items. We recently launched our Kopernik Global Opportunity Strategy. The strategy was launched in the UCITS market and is currently live with over $100 million in assets. The strategy is being managed by our co-CIOs, Dave and Alissa, and invested globally in securities with market cap greater than 3 billion, hence ex the micro-cap names that Global All-Cap can buy.

Please note, Dave will be referring to the presentation, which can be found on our website, kopernikglobal.com, under the News and Views section. While there, you'll discover Dave's recent commentary and other thoughtful pieces by the team. Without further ado, I'd like to call over to Dave. Dave, please go ahead.

David Iben: Thanks, Kassim. Thanks to everybody for joining us. Alissa has other obligations today, so it's just me. These are interesting times in the market, so why don't we start with a discussion of the market. Anyhow, the market, not counting the last week or two, seems to be under the impression that all is well in the U.S., but there's problems in the rest of the world, and hence the U.S. being a bulk of the market cap. We thought, all right, the U.S. is great, but it's a big world. We, like everybody, said let's embrace AI [Artificial Intelligence] and ask it for a list of good companies that might not be in the U.S. [slide 7]. Certainly, we don't have all the good companies.

The output: we're just passing on the output it gave us. These are not recommendations of the stock. Some of them we own, some of them we don't own. Some we have interest in, some we have no interest in. In terms of leaders, global leaders, I think in semiconductors in the U.S., there's one company, but there's two great companies that are outside the U.S. [Slide 8]. Certainly, SK Hynix [SK Hynix Inc.]. Looking at the stock chart, it's almost like it's a mining stock. The thing has gone up from 480 to 2,900, up 6X, and then fell almost 60% to where it's still up 2.5X from when it started. After quite a beating, like the mining stocks, they're still up nicely from the bottom, but quite a beating. That's Hynix. Of course, [slide 9] the other one is Samsung Electronics [Samsung Electronics Co., LTD], which we briefly owned. Sold way too early, apparently, but that's fine. Just over the last couple of years, went up almost 10X, gave back a lot of that, and was up 4X. Certainly, when you think of DRAM [Dynamic Random-Access Memory], these two companies are up there. Outside of that, but

sticking with technology [slide 10], Taiwan Semi [Taiwan Semiconductor Manufacturing Co., LTD] seems to be in a class of its own. It's something we've always liked, but at 13X sales and 10X book, it's not likely to be in the portfolio. What is in the portfolio that you've heard us talk about over the years is [KT Corporation]. You've heard us talk, as basically equivalent of Verizon or an AT&T, i.e. an oligopoly phone company in a strong country with good fundamentals. Since then, it has narrowed the gap with Verizon and AT&T and been pretty good [slide 11]. Companies like that around the world are companies that people should want to own.

Railroads, once upon a time, we owned a lot of them in the U.S., and there are great companies. Japan, and as we feature here, China, have really good railroads, too [slide 12]. Having a railroad in a dense population area with a great need for railroads, these are the dominant oligopoly companies people should be interested in. Likewise, a lot of great tech companies in the U.S. [slide 13], but Tencent [Tencent Holdings Ltd.] [has] got to be amongst the better tech and service companies in the world. Pretty amazing company. Leaving tech, Vale [Vale S.A.] is the dominant of a triopoly in terms of iron [slide 14]. It's a company that, in the last resource rally back 20 years ago, the stock went up 15X, I think, from bottom to the top. It's given most all of it back, giving investors another opportunity. Back to phones [slide 15], Chile has a pretty dominant phone company, too. Maybe it's about where KT [KT Corp.] and Uplus [LG Uplus Corp.] were a few years back. Certainly a good company.

Banks, we've always talked about banks [slide 16]. If you could start from scratch and design your own bank, you'd say, "All right. I want to bank with dominant market share. I want to bank in a country that needs capital formation as opposed to one that's over-capitalized, as most of the developed world is. You'd want one that seems to have a decent balance sheet, good management team, ones that haven't needed to be bailed out and helped. Certainly, here's a bank [Halyk Bank of Kazakhstan JSC] that would be one of the few that would meet all those qualifications, so world-class. If we are right about a lot of the fundamentals going on in the world, more people and more money, but not more farmland and not more quality real estate [slide 17]. Companies like Cresud [Cresud S.A.] that are a leader in a lot of South America, where they have a lot of fertile soil. Certainly, a dream team sort of company. Speaking of dream team sort of companies [slide 18], platinum, it is scarce, it's needed, mostly located just in South Africa. Three companies dominate the area, and of those, Valterra [Valterra Platinum Limited] is the biggest, the best, the lowest cost, with the best downstream. Certainly, a world-class company. When it comes to oil [slide 19], the biggest in the world for many, many years now has been Saudi Aramco [Saudi Arabian Oil Co.]. Of course, they have their hands full with problems in the Persian Gulf right now. Buffett and Templeton and others have always made clear that when you can buy good companies with short-term problems, that's the place you want to be. That's an inkling of what the [AI] model spit out.

A couple more to go with quickly [slide 20]. BYD [BYD Company Ltd], this might be the equivalent of Toyota [Toyota Motor Corp.] 50 years ago. I can remember when Toyota had to put quotas on themselves to keep countries from putting quotas on it and other countries were putting quotas on it. When you have a company that's good enough and cheap enough that you need quotas, that usually means it's a competitive product. Certainly, BYD seems to be a good product at a low price and booming on every country that it's allowing them in. Sticking with EVs [Electric Vehicles] and also with storage for windmills and solar and those sort of things [slide 21], CATL [Contemporary Amperex Technology Co., Ltd] seems to be a recognized world leader there. These are a group of companies that AI said are world-class that don't happen to be located in the U.S. To add to that, we didn't really say outside the U.S. We said Emerging Markets [slide 22]. Every company we just went through is domiciled in a country that MSCI considers to be an emerging market.

The point we're trying to make is that the market right now, by using a binary thought process, is misunderstanding risk. The next step is they're misanalyzing good companies that just happen to be domiciled in places that are considered emerging markets. This misunderstanding of risk is going to be very important because we're going to continue to talk about how maybe risk in the U.S. and other developed markets is extraordinarily high right now, maybe the highest it's ever been. That doesn't mean bad things are going to happen, and hopefully they don't, but the risk levels are extremely high. As investors, it is important that we look hard to find places that might help us lower the risk and increase the return. Emerging Markets ought to be

something on everybody's radar screen because they have good companies that we talked about. Continuing with this [slide 23], sure, there's good companies, but aren't they a risky place to be? We plan to investigate this. Yes, they tend to be volatile. Yes, there's political risk, there's currency risk, there's headline risk. We're not saying there aren't risks, although most of those risks tend to be more business risk, not portfolio risk.

Then, of course [slide 24], famously, there's the roller coasters of emerging markets. A good example is China Evergrande [China Evergrande Group], which was one of the booming star real estate companies in the world, really. It's since busted and given it all back. When people think of emerging markets, they think of things like that, but that's one company. Does risk lie where people see it [slide 25], or does risk lie where people are overexposed but blind to it? I think Howard Marks has written some good stuff on this. Other people have, too. People don't knowingly pour a bunch of their net worth into things where they see the risk. It's the place where the risk is there and not seen that people ought to worry about. Let's go back to the U.S. Is it a risk-free market? The fact that people still look at tracking error as risk presupposes that the S&P 500 is riskless. I think they're wrong. We have a great economy. Hopefully, it will continue to be a great economy. That's good because the economy needs to support the government. The government's take on that economy is the biggest it's ever been by a wide margin. Then on top of that, the economy needs to finance debt payments. The debt claims on the economy are far and away the most they have ever been. After that's all satisfied, then you have to satisfy the return on capital, the equity markets, which also is the biggest claim it's ever been on the economy. You add them all up, and we're talking about 4X the economy. The GDP is not a calculation of profits, it's more of the revenues. That's a big claim. Some people say if you add the off balance sheet debt, then we're talking 7X, something like that. Here we are [slide 26]. People are more and more worried that this might be a market top. Maybe they're right. We don't know. We just know that with a 4X claim on the economy, somebody's likely to lose.

You look back a few years ago, people were afraid that when interest rates went from zero to two, it was going to be the end of the world as we know it, and it wasn't. Then when it went from two to four, everybody yawned and went about their life. Some people are starting to worry about that. They're starting to worry that maybe 7% mortgage rates is going to hurt the housing market, which it seems to be doing. People are starting to notice that $2 trillion budget deficits during the good times are something that could be problematic. Then, outside of that [slide 27], the idea that emerging markets are the only place where there are failures and problems. I think over the years, people may have noticed the things, whether it's FTX or Madoff or Enron or, outside of the U.S., Wirecard. Then, as far as corruption [slide 28], the emerging markets don't have a monopoly on that either. If the U.S. market is priced for perfection, but there isn't perfection, maybe people should look elsewhere. Based on debt levels [slide 29], if having more debt increases your risk, which I think it does for people and for corporations and certainly ought to for countries, emerging markets tend to have less debt and less deficits than the U.S. and Japan and places like that. We've highlighted the ones in green [slide 29] that have more been in your portfolios, and in yellow, we have U.S. and Japan, which have some challenging fundamentals. Broadening that out to all of developed markets, public debt [slide 30], it's twice as leveraged as the emerging markets are. You go into private debt, it's almost 3X the debt. If debt levels are a measure of risk [slide 31], perhaps emerging markets are less risky. If we continue with that thought process [slide 32], emerging markets, as we pointed out to you in the past, tend to be most of the world. If you look all the area that's in a brownish-red area, can all that land really be without any good companies?

I think we've already shown you that there are some good companies, and there's certainly a lot more than what we've shown you. Then, a matter of perspective [slide 33], just to take Korea for one, since that was a big part of the portfolio a year and a half ago. In many measures, it's doing better than the U.S. is, and that's the case with some other emerging markets also. Emerging Markets are volatile; we'll grant that [slide 34]. There will be more Maalox moments and whatnot with emerging markets. As we've said, that is not risk; that is opportunity. Just to highlight how that's been helpful. Couple of years ago, almost exactly a couple of years ago, where Korea's president tried to seize power and the market got smacked from an already cheap low, that's when we got to go 20% of the portfolio into Korea. A year and a half later, we were down to 10%, roughly, in Korea because it had a big run. Next to that's Japan. You can see there, as the market's gone up, our exposure's gone down. This doesn't go back to 2012, when we were at 25% Japan. That's following a quarter-century bear

market. Nobody liked it. Now people have warmed up quite a bit. Still a lot of opportunity in Japan, but certainly not what it was before the 14-year bull market.

Then our stock-by-stock basis. We've shown you some of these things in the past, so I'll go through them pretty quickly [slide 35]. If you had bought DL E&C [DL E&C Co., Ltd.] and held it for five years, you made pretty much nothing. If you trimmed and add, it's actually been a pretty good stock. I think we've talked in the past about Axia Energy [AXIA Energia SA], which has been, I think, the best performing in the Global All-Cap portfolio, mostly based on volatility. GS Holdings [GS Holdings Corp.], another Korean company that offered us opportunity. Leaving Korea, China's been interesting [slide 36]. This doesn't go all the way back to, what, 2003. Nobody wanted to own it. They went up seven times. In 2007, it was a must-own. Now you can buy it for cheaper than you could in 2007, even though the economy's up 6X. Looking at the last half-decade, you can see here there's been various times where people found it to be uninvestable. Those were the times that investors ought to have thought hard about owning some really good companies that happened to be located there. After all, it is the second largest economy in the world, and they have companies that are good at many things. Leaving that, some of you might have noticed that Indonesia has been in the news [slide 37]. Things like this, I think, should help people see passive investing for what it is. Where do you think the passive investors bought or sold on this chart? Yes, the idea that a market falls 32%, and then after it falls, MSCI [MSCI ACWI Index] is rumored to be taking it out of the index, which causes it to fall another 15%, and it's now down over 50%. If it's true, then MSCI is going to pull it out, and there'll be forced selling at half price by these indexes. To us, that's no way to run money, but to each their own. We are doing a lot of research on Indonesia now. They've got some bargains there.

Returning back to the U.S., though [slide 38], right before I came into the business, materials and energy were half the index, *half*, as is following the 1970s when people were worried about inflation and worried about fiscal situations that were a minor version of what we have now. That was, of course, the time to get out of those industries as they went from 50% to 5%. Now you can throw real estate and utilities into the mix, too, and you still get less than 10% of the index. Meanwhile, information technology is roughly 40%, and communications that was once, basically, much of it part of that, some of the consumer also were once part of information technology, so 50% roughly of the index is tech-related. We wonder how technology will work without electricity. If it's going to need electricity and it's going to need copper wires and whatnot, we suggest energy and materials and electric utilities and real estate for data centers and whatnot really seem to not be priced for technology doing well, or technology's priced for technology doing much, much more than well. That, I think, bears thinking about [slide 39]. I think the market, people talk about the chips being the second derivative way to play AI. They have a point, but it's not a cheap way to do it. Copper and electricity are a second-derivative way that is not priced in.

Currency, so this is showing that the dollar over the last 20 years has done really well against emerging market currencies. Maybe that means emerging markets are bad, but maybe it just means, in a cyclical world, it's extended and about to go the other way. If we look longer and now we look at all currencies, not just emerging markets, you can see that these tend to be 5-, 10-, 15-year moves [slide 40]. We've now had a very extended up move in the dollar that seems to have changed three or four years ago. Maybe we have five or ten years more to go of the dollar falling. Certainly, if you watch the news, the fiscal situation is more challenging. That might start mattering to the dollar. Anyhow, whether it's stocks or currencies or politics, it's a volatile world. That's unfortunate in many ways, but as an investor, it actually turns out to be fortunate. We talked last spring about how the things that were most expensive two, three years ago [slide 41], SaaS companies, software as a service, priced for perfection, were being given away last spring as people concluded that this was the end of these companies. Since then, we've been able to sell at profits: NICE Limited and Teleperformance [Teleperformance SE], and Concentrix [Concentrix Corp.], these sort of things. The volatility was good. Buy really cheap last spring and sell at more fair levels now. Korea, we've talked about the chance to sell some Korean companies. Then even mining in other areas. Hard to even recognize it six weeks later, but July and August were really good times for a lot of our stocks and for the market in general. The market basically was hitting new all-time highs not long ago. The result was lots of stocks that ran up and hence lots of trims on the portfolio, as you would expect. Cash balances started to get high. You might have noticed that many stocks were falling recently. You shouldn't be surprised to find that our cash balances are falling in lockstep. Whereas

this shows lots of trims, when we talk again in three months, you'll probably see lots of additions and lots of new stocks. Volatility, not all bad [slide 42].

In many ways, it's good, and it gives us an opportunity to get a portfolio of less than 1X book value and less than 10X earnings [slide 43]. Those are pretty attractive. We've seen attractive levels in many markets, especially in a market that's basically been at all-time highs. Then outside of that, we continue to take advantage of what the market's giving us. It's been giving away materials and giving away energy and giving away emerging markets and not giving away the US. That's been giving away, as you can see in the upper right, global leaders, as we already gave you a little bit of a flavor for [slides 44-48]. That's where we are. A few concluding thoughts. I had lunch today at a charity we supported for a long time, and they're saying the people that come to them in need are often people who couldn't keep up with the fast changes in life [slide 49]. As investors, we're also all trying to keep up with the fast changes going on in the world. We at Kopernik are famously too early on some of these things, which we can live with. These changes, and with the market, with the risk involved, you do not want to be too late. I think reducing your exposure to some of the really risky areas and going into the places that are more attractively priced and are off people's radar screens and are not owned and are misanalyzed and misunderstood, that's something that people ought to seriously consider doing.

Also, we've got a chart on here [slide 49]. The market's been taking its licks, and the natural resource sector is right there with everything else getting hit. Not fun. To be expected, we think of the 1970s as a great time for natural resources. Oil went from $3 to $36. Gold famously went from $35 to $800, so what a great time to own gold, except for this chart shows [slide 49] there was a little hiccup in the early '70s and another hiccup a few years later. Then in '75-6, around there, you had to endure two and a half years of things falling in half. The important thing was that you didn't sell. The important thing was to be adding, not selling, when you have these opportunities. Just like the '70s, fiscal situations are challenging, and geopolitics is challenging, and debt levels are high, rates are going up, resources have been going up with their hiccups. We're quite arguably in the mid-'70s when it comes to a comparison of where we are in the current run for natural resources of all types. People want to believe, after 40 years and mostly up, that when a stock has a dip, it will bounce back, but when a metal has a dip, it will not bounce back. I suggest they're quite likely wrong on both those premises.

With that, I really like the way the portfolio is positioned right now. I like the opportunity to be buying back companies that we trimmed at higher prices. We like the opportunity to be buying things that are inexpensive relative to their book value, to their asset value, to their cash flow, to their earnings, and avoiding the companies that are not priced that way. With that, let's open it up to questions [slide 50].

Mary: All right. Thank you, Dave. We will begin the question-and-answer portion of the call. Please type your question into the Q&A box. That ensures that we will receive your question. To help us manage time, I'll group similar questions together. I may not read each question verbatim, but if we're unable to address your question, please contact us, or you have any follow-up questions, please contact us, and we're more than happy to follow up with you.

Let's start. Throughout the call, we got a couple of country-specific questions, not a surprise given the topic of our call, one of which was Indonesia. You did address Indonesia. The other of which was France. France is very much in the news right now for making a lot of headlines in terms of riots and the economy. The question that we have is: on the same point of EM being miscategorized, with France making headlines, is there anything there that appeals to you as being labeled France, but not really driven by actual business in France?

Dave: Yes. We talked emerging markets, and we talked about how binary thought processes is wrong, that they aren't just pure risk or pure return, that there's good companies that happen to be there and you just need to be compensated for the risk, and there are problems, but I think the upside is substantial. As we talked about with the U.S., France is more challenged in terms of the size of the government and the dysfunctions of the government, possibly the ability to finance the debt they have and spread. There's a lot to worry about in France.

We mentioned earlier, I think John Templeton always said, "*People always ask me, where are things looking good?*" He says, *"Wrong question. Where are things challenging?"* That's where the opportunities are. France

is a great country with a lot going for it, with some severe problems that won't be easy to manage through. A lot of companies there, some world-class companies there. We are spending more time there and planning the future to spend a fair amount of time there. We agree there's a lot of opportunity. I'm not going to name the companies we happen to be looking at because that we shouldn't do. I think we agree with where you're going that it's a good place to be fishing right now.

Mary: All right. Now that we have gotten through the emerging markets presentation that we've done, another thing that we've gotten more so on this call, in terms of questions than we usually get, are company-specific questions. I'm going to ask you some rapid-fire, company-specific questions here. The first one is Concentrix. What's our view on Concentrix? How are we looking at it, et cetera?

Dave: I touched a little bit on if we look at some areas like resources and many of them utilities, we have a way of looking at the market that we think gives us a huge competitive advantage. Software services, business services are an area where, two years ago, I would figure we'd have a competitive *disadvantage*. They're well-followed companies; everybody understands. We do not have an informational advantage and maybe not even an analytical advantage, although we've put a lot of time into it and our analysts are doing a good job. It's more of a behavioral advantage, I think. Then even when we're talking things we do understand well, we are less interested in our opinion and saying, "Oh, we're right." This business requires humility. We get interested when the market is off to an extreme opinion. When they think that a country is doomed or an industry is doomed, they're generally wrong. How quickly they went from this is the greatest industry ever to a dead industry.

We bought a handful of these companies, including Concentrix, not because we felt these companies are in great, great shape, but because we thought they were good companies that were going to survive, that were not going to be walled by AI. All these companies get hurt by AI in some ways, and they get helped by AI in other ways. We bought them because they were way too cheap. As to where it goes from here and what specific price we have, I can't help you a lot on that. We can send models later, maybe.

Mary: Next up is Comcast [Comcast Corp.]. The question is, what did you see in Comcast that qualified it to be eliminated completely after building a position?

Dave: The market was tougher back then. Now we're seeing lots of great opportunities. What we saw there was a little bit similar to Concentrix, is people used to love cable and they find it dead. We bought it. It was not a big position because we didn't have a ton of confidence. We bought it, and like often happens when they get depressed, it bounced up, and we made a little bit of money. By then, we made a little bit of money, and we were finding more opportunity elsewhere.

With interest rates continuing to rise, companies that have debt, and there's been a lot of companies we've looked at lately that we like them a lot, but we haven't bought them because of their debt level. It was mostly with the risk adjusting for the debt; we saw not that much upside, and we're seeing quite a bit of upside in other stocks, so we let that one go. In many measures, it's attractive. It might be fine. It's just the heavy risk adjustment that we gave it.

Mary: Next up is Champion Iron [Champion Iron Ltd]. Why stop adding to a company like Champion Iron with the drastic fall in share price?

Dave: We have pretty continually added as it dropped. Couple of things there. I think we're pretty close to what we can hold in that one. We try not to own more than 10% of the floats of companies. By the way, we like the company a lot. They're well-managed, and they've been countercyclical in how they handle things, and so we like it. We're pretty much owning what we can hold. That's point one.

Point two, we did talk a lot over the last year or so how we like precious metals, but we found that they had become expensive relative to other metals. Now, certain precious metal stocks have been hit down, and so we've been able to start buying back into some precious metals. There's that. We've also, as you know, bought

into forest products companies, some of which fall into the materials category where we're pretty much at our maximum. We can't buy more. Yes, Champion still continues to have lots of upside. We're fans.

Mary: All right. Next up, K+S [K+S AG]. K+S had a weak quarter, reporting Q2 sales falling 45%, hurt by falling potash prices. How do you reflect on the quarter, and what inspires confidence that the company can deliver?

Dave: Yes. As I alluded to earlier, there are certain areas where we feel like we have a competitive advantage. Things that have 10, 20, 30, 40 years worth of reserves, or in the case of many of these fertilizer companies, 100 years of reserves, there's lots of different ways they can be valued. Last quarter's earnings is not one of them, but that's the way the industry tries to do things that "*Oh, they had a bad quarter.*" Prices might stay low for one, two, three years. They might go back up tomorrow. We don't know. Over the next 50 years, we think they will have lots of resources that they can sell that, on average, will be pretty good prices, which will lead to a price multiples of where the stock is now. We believe, thanks to the patience of many of you, that a lot of value can be added by having patience in the markets and not trying to guess the short-term fluctuations of the price of a commodity.

Mary: Continuing on commodities, we have a question about Junior Uranium Miners. Do we believe they're attractive right now?

Dave: Yes. As you know, fortunately, we found them very attractive five years ago. They were really, really inexpensive compared to the bigger miners. The bigger miners were inexpensive compared to the pure uranium. Since then, uranium's up 5X, and miners are up 10X. The smaller ones we mostly sold, and the Cameco's [Cameco Corporation] we sold, I think it went from $5 to $140 or something like that. We kept the Kazatomprom [NAC Kazatomprom JSC] and the pure uranium, the Yellow Cake [Yellow Cake PLC], and the Sprott [Sprott Physical Uranium Trust]. They've been coming down a lot. There is a price they come back into the portfolio, but we still prefer the Yellow Cake, Sprott, Kazatomprom at current prices.

Mary: Natural gas. The position changes slide shows that we added to some of our natural gas companies this quarter. The question is, has your outlook on natural gas changed?

Dave: It hasn't changed, or it hasn't changed in the model. One could make a case things are better. If you want a place where the U.S./Canada, Argentina, the West has a huge competitive advantage, it's natural gas. The Russian pipeline got bombed, and much of the Middle East has been cut off, so people are having to pay high prices to buy from us. We still have fields that are pretty productive at pretty low prices, so the U.S.s is at a competitive advantage. If you take something like Range [Range Resources Corp.], I think it's more than 20X off the bottom, but it's still more than half from the top from a decade ago. These are not expensive stocks. The volatility, we like the volatility on its own. Over the years, you would think there would be more correlation between oil and gas, but anytime oil stocks do a lot better than gas stocks or vice versa, there are opportunities for investors to take advantage of it. We think we've done pretty well with that.

Mary: Moving on to some questions about telcos. U.S. telcos have sold off on concerns around SpaceX and Starlink disruption. Are EM and international telcos also not at risk?

Dave: Yes, they would also be at risk, but I wouldn't be surprised if none of them are as much at risk as people think they are. Starlink's great in a lot of ways. To be taking the place of mainstream communications, people are going to want to have delays when they don't need it or replace infrastructure that's already in there. We think that under most imaginable scenarios, EM telcos are getting very attractive. If Verizon and AT&T want to get down to a certain price, we'll look at those, too.

Mary: I have a few more big-picture questions, and then we're going to circle back around to some more precious metals questions. I want to leave those for last because they're fun. All questions are fun, but we really like to talk about precious metals. We'll come back to those. A couple of big-picture questions. The first one, we actually received by email prior to the call. You can always send your questions in prior to the call. We're more than happy to receive those.

I'm going to read this question because I think it's very interesting. "There is talk of a U.S. sovereign wealth fund being created in response to a fourth-turning style crisis. What are the industries that would be viewed as strategic? The U.S. already has stakes in Intel [Intel Corp], MP Materials [MP Materials Corp.], and [is] looking [at] Anthropic [Anthropic, PBC]. Elon is gifting SpaceX [Space Exploration Techologies Corp.] shares." I guess the question is, what are your thoughts on that?

Dave: Oh, those companies are all clearly strategic, and the government is clearly helping them a lot and will probably continue. They're strategic and being treated as such. In my opinion, I don't think we can add to anything you're hearing out there. Nothing particularly to add there. We're not going to spend trillions of dollars for money-losing companies, even if people turn out to be right on them. As we pointed out in the past, if they're wrong, it's a problem, but if they're right, history would suggest that they might do well the next 30 years, but we'll probably get punished the next two or three, four years, as was the case with canals and railroads and telephones and radio and semiconductors and internet and whatnot. That we won't worry about.

There have been rumors for a long time, though, that, as we alluded to, if these things are strategic and they won't run without copper, copper is probably strategic. That has been some of the rumors that they might want to. There's some good copper projects in North America, many of which we own, and a lot of them have been stalled in politics. Maybe some of this money will be used to help the U.S. get secure access to supply line and energy. Yes, whether it's uranium/nuclear or natural gas or other things, they are things the U.S. and Canada have that are a competitive advantage and necessary. I think the winners can be the big tech guys and the guys that give them what they need. It's priced into the former group and not into the latter group.

Mary: We're going to come back to that whole good copper projects in the U.S. question because we have a lot of questions about several of those companies, one in particular. We'll come back to those. I want to ask another big-picture question, which is about AI. Following the recent AI sell-off and concerns around the impact of open-source, excuse me, I was trying to say open-source software, taking share and slowing revenue growth at the Frontier Labs, have you been attracted to any beaten-down AI stocks?

Dave: Yes, I've seen a lot of AI stocks that are down a lot, but I haven't seen any that I would still consider beaten down. They fell from some lofty levels. As I mentioned, canals and railroads and phones and semiconductors, internet. You did not want to buy these things after they had their first bad six months. I think it'll be a long time before they're at a level where we think we have some sort of competitive advantage and there's a million other managers that can buy that for you.

Mary: Let's come back to the copper projects. We have a lot of questions, three different questions on Northern Dynasty [Northern Dynasty Minerals Ltd.]. If you could maybe discuss a little bit about our current thoughts on that company.

Dave: Our thoughts are that copper and gold are scarce and getting more scarce. Good projects are scarce. Probably the good projects will get built. Talked earlier about patience. It will require patience. There's projects that the big companies have that are not getting built. There's KSM[KSM Mining ULC[1]] ; Seabridge [Seabridge Gold Inc.] is being owned in Canada that hasn't found something. Somebody's going to build it, but it's further along than Pebble [owned by Northern Dynasty]. Pebble, controversial. Our particular view is that there was a rich guy who owned land and a lodge and everything there that didn't want this mine to be built and spent many, many, many millions of dollars to try to fight this and succeeded. He got a lot of people with misinformation. Then the NGOs, a half dozen years ago or so, they sent me an email saying, "We think this is a bad mine. You should sell." I said, "All right, I don't want to own a bad mine. Send me your information." They sent the information, how bad it was. I said, "Well, what you sent me was from the old mine plan from years ago. Could

[1] KSM Mining ULC (KSMCo) is a wholly owned subsidiary of Seabridge Gold Inc.

you send me something on the newer mine plan that the Army Corps of Engineers saw the minimum risk on?" Never heard from them again.

Yes, this is not a bad mine plan. I've been to the site. A lot of us have been to the site. It's in the middle of nowhere. It's hundreds of miles from the salmon. There's not a lot of water there. Now, that's not saying that mining's good. Mining is harmful, so you've got to do the best you can to take care of the environment. This seems like a good mine and a pretty good place to have it. In the PR war, the management team has not done a good job, and the opponents have. Also, in the legal arena, they haven't done so good, and the opponents have, so years and years have gone by. The political environments have gotten better. We're talking AI. I remember five or six years ago, the idea of using tons of gas and oil and nuclear power to fund some data centers, people would've gone nuts. They'd be like, "No, no, no, we don't want to use energy." Now, I think people are predisposed to - we need some of these things, so people's views have changed a lot. Instead of saying no to anything that's energy or resource-based, I think people are saying, "We need to be more practical and let's get the resources we need, but hopefully do that in a good manner." I think that's what we have here, is a mine that's the biggest undeveloped in the world that gives the US what it needs with a plan that makes sense.

Yes, when gold's $1,500 and copper's $2.50 and you figure it's going to take $10 billion plus to build a mine, it might not even have made sense to build the mine. It probably didn't. $4,000 gold and $6 and $7 copper, this mine is worth $100 billion plus. I think that's enough money that can give the government taxes and give the people working there lots of money, and take good care of the environment, help out the local peoples which are struggling as the fishing industry does terrible, and hopefully provide them with jobs and a lot of other income as is the case usually around Alaska. There's a lot of money to go around that can take care of a lot of needs and can be a real positive force in the world. I think it's a misperception. It's a very good project that was smeared in the past, and it's just a matter of time to get things back. Anyhow, those kind of minerals will be priced at many, many billions in the market, but this one's $1 billion. It's being given away, but there's, you probably know, too, the court case that's supposed to rule on this.

The EPA, their job is to take a look at a submitted application for a mine and give feedback and say what's acceptable and what isn't. In past administrations, they decided to jump the gun and veto something that had not been submitted. That's seemingly against the law. There's a court case saying they could or couldn't do that. The ruling should come out this month, next month, who knows? Hopefully, it'd be a favorable ruling, which will be appealed, or maybe it won't be. Well, I figure 20 years from now, there's a mine there. 10 years from now, who knows? Five years from now, no way. It's all a matter of how much patience somebody should have to possibly make 100 times their money.

Mary: All right. I want to finish with some questions. We have about four questions left; one is a two-parter, about gold as money and questions about currency. Let's start with maybe a little bit big picture. How should we look at currency devaluation? Is there any potential for the U.S. or others to do a reset to address the amount of debt?

Dave: Yes. I think Voltaire captured it best: "*Fiat Currency eventually returns to its intrinsic value—zero.*" If you look at the history of the world, countries debase. You cannot trust politicians not to debase; the temptations to do it. Yes. If you had an investment and we lost 98% of your value, you would consider it a complete wipeout. If we said, "No, no, that wasn't a complete wipeout; you still have 2% left," you'd be furious. I still fancy myself as young, so humor me here. In my lifetime, the dollar has lost 98% of its purchasing power. It's basically been a complete wipeout of the dollar in my lifetime. That's been during one of the most prosperous times in the most powerful empire in history.

The next 60 years, it will probably lose at least 98% of its value again, probably more. The devaluation of currency, of course, it's going to devalue. How much, how fast, against what, are the more interesting comments. To argue whether the dollar is, as people used to say, the cleanest dirty shirt, that's the wrong argument. Will the pound and the euro and the yen and the yuan fall faster or less fast than the dollar? Don't really care. They will all lose 90%, 95%, 100% of their value compared to things you need. Yes, maybe that's Microsoft. Maybe it's Coca-Cola. Almost for sure, it's copper and uranium and gold and platinum and farmland

and things like that. I think people should have a reasonable part of their portfolio in something that will hold its value. If it's scarce and it's useful, it will probably hold its value.

For now, I won't bore you more on Richard Cantillon, because we've done that a lot. Yes, he explained how money isn't neutral. It flows to some places faster, some places slower, and some places it doesn't reach at all. Focus on the things that are scarce and needed. The value will be maintained as the currencies drop.

Mary: Given that, one of the questions we have is, what is your outlook on gold, given the slide that we should put up on the dollar? You've essentially just covered that, but do you have anything else that you would like to add specifically about gold and less about the broader picture? Anything more specific?

Dave: Yes. As I just said, you don't want to put your dollars in a safe deposit box and come see how it's done. You can put it in a bank account that will pay interest faster than it's devaluing, although that hasn't really been doable since the 1980s, or you can put it in real goods. People should buy a whole variety of these goods. Gold's only one of these things. Doesn't need to be gold. Gold is expensive relative to uranium and farmland and things like that, but for a store of value, it's been a store of value for thousands of years. People could have picked anything. It wasn't that a government mandated it. People said, "I want something scarce. I want something attractive. I want something that's divisible."

When you cut an ounce of gold into two, the two pieces are still worth the whole. Not the case with a Van Gogh, or a diamond. It's not corrosive and things like that. It's got the character. Oh, it's nobody's liability. No one's going to default on it. Gold has been money, and for all those reasons will continue to be money. Now, when people are not trusting the dollar and pouring into gold, sometimes things like silver and platinum and Bitcoin and other things go up even faster than gold. Times like now, they're falling faster than gold. Gold's the sure thing, but I think you'll make more money in silver and platinum and things like that than you will in gold, and should consider them all. Yes. Bitcoin's another matter that we'll leave for another time.

Mary: We'll leave that one. I'm reading the question directly. This is our last question, the two-parter. Let's do the first part. You have argued that fiscal excess and monetary debasement support the case for precious metals, as we just did. However, persistent government deficits could also put upward pressure on real interest rates, increasing the opportunity cost of holding gold. The early 1980s experience illustrates how damaging monetary tightening and disinflation can be to gold prices, as we see on the chart that we have right on now. Ten-year TIPS yields have risen from negative levels in 2020 to roughly 2.7% to 2.8%. How significant a risk would a sustained period of elevated or further rising real yields pose to your precious metals investments?

Dave: Oh, that's a very good question. Most people think that rising interest rates is bad for gold, and they're completely wrong. To your point, rising real interest rates is bad for gold. By the way, it would absolutely be disastrous for the stock and bond market, which is probably why we will never see it in the next 10 years or whatever. It's not going to happen. To the point, in the '70s, interest rates went from 2% to 20%. Did gold get killed? It went from $35 to $800. Then in the '80s, interest rates plunged. Did gold go up? No, it went from $800 back to $250. As your question suggests, interest rates were dropping, but real interest rates were going up because inflation went from 16% to 2% or something. That was bad for gold.

Now you've seen over the last five years, interest rates go from nothing up to 4% or so, where inflation went from a couple percent to, if you believe the government, 4%. If you don't believe the government, it's probably 6%, 7%, 8%. Interest rates are anywhere from barely positive to quite negative in real terms right now. I think the levels of the stock market suggest they're still pretty negative. It's easy money policies. If you look at credit spreads and you look at the Fed's balance sheet and you look at lending standards, money's not tight now. Yes, if money becomes tight, bad for gold, absolutely disastrous for the stock market from the current valuation levels, so not likely to happen.

Mary: All right. Last question, which is a pair. Came from the same email as the previous question. How do you stress test mining company valuations for both lower metal prices and higher discount rates or financing costs? What developments would cause you to reduce the portfolio's exposure?

Dave: The main thing that causes us to reduce it, and you got to see that over the last couple of years, is rising prices. Gold stocks went up and went from 20-some-odd percent of our portfolio to 8% of our portfolio. That's the main thing. In conjunction with that, though, if other things become more attractive, if gold stock is 50% upside and forest product stock is 100% or a platinum stock is 200%, we will take advantage of that.

There's a lot in your question. If, for the first time since the '80s or whatever, money becomes a little bit restrictive, yes, then not good for gold stocks, disastrous for other stocks. What falls more, and where are the opportunity sets? Are we going to see more on the other stocks that are getting pummeled or more on the gold stocks? I'll have to figure that out. Also, to the other part of your thing, financing costs is an interesting thing. Big companies that have access to capital, unsurprisingly, sell at a premium to small companies that are going to get gouged trying to capitalize their mines. The latter group deserves to sell at a discount. We've taken advantage of the fact that the discount is way too big. At some point, it could be armed out as the big guys buy the small guys, thereby taking out the financing problem, if you will. It's complicated. We do run scenarios. We say, "Well, what if gold plunges to a couple of thousand, and what if gold stays where it is now, and what if gold returns to where it used to be for many years at 25% of the money supply, and what are the upsides and downsides of that?"

Then we risk-adjust heavily. We know we want margins of safety on everything, but these mining companies have bigger margins of safety than most of our other ones because it is volatile, the costs of mining keep going up, and the geopolitics keeps getting worse, and countries want a bigger piece of the pie. When we say we like or own mining stocks, it's not because we think, "Oh, things are wonderful, or it's going to go good." We're saying, "No, we actually assume that they will have problems with chemistry and geology and geography and politics and capital." After we've used all those things to knock the price down 60% or 70%, we still see lots of upside.

Mary: All right. Well, that does it for questions for this call. Dave, do you have anything else you'd like to close with?

Dave: No, not a lot other to say. It's probably going to continue to be very volatile and won't be fun, but I think years from now, we'll look back and be happy for the opportunities that will present to us. We appreciate our relationship with all of you. Thank you all. Look forward to talking again next time.

Mary: Thank you all. Have a good evening.

Kopernik reviews the audio recording of the quarterly calls before posting the transcript of the call to the Kopernik website. Kopernik, in its sole discretion, may revise or eliminate questions and answers if the audio of the call is unclear or inaccurate.

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Kopernik Global All-Cap Strategy Performance (as of 09/30/2026)

	1Yr[P*]	3 Yr[P*]	5 Yr[P*]	10 Yr[P*]	Since Inception[P*]
Global All-Cap (Gross)	17.73%	25.78%	14.78%	14.19%	11.96%
Global All-Cap (Net)	16.91%	24.90%	13.98%	13.37%	11.16%
MSCI ACWI (Net)	16.75%	21.71%	11.57%	12.37%	11.09%

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026[P]
Global All-Cap (Gross)	8.45%	-18.01%	-11.74%	53.12%	11.98%	-10.49%	14.66%	35.99%	20.36%	-8.64%	16.55%	2.90%	66.59%	8.39%
Global All-Cap (Net)	8.11%	-18.67%	-12.37%	51.47%	11.23%	-11.10%	13.97%	35.15%	19.57%	-9.26%	15.72%	2.17%	65.44%	7.82%
MSCI ACWI (Net)	15.79%	4.16%	-2.36%	7.86%	23.97%	-9.41%	26.60%	16.25%	18.54%	-18.36%	22.20%	17.49%	22.34%	13.03%

P = Preliminary Performance, *Annualized
The Kopernik Global All-Cap strategy started July 1, 2013
[1] MSCI ACWI performance is net and the 2013 YTD value reflects strategy inception starting period of 7/1/13 through 12/31/13.

The performance shown in the table above compares composite returns to the MSCI All Country World Index (MSCI ACWI), a broad-based securities market index that captures over two thousand primarily large and midcap companies across 23 developed and 24 emerging market countries as of July 31, 2026. Broad-based securities indices are not managed or subject to fees and expenses typically associated with managed accounts or investment funds. Kopernik's strategy is different from the MSCI All Country World Index in a number of material respects, including being more concentrated among investments in business and countries, having more exposure to emerging markets and companies with smaller capitalizations, as well as having the ability to invest a small percentage of assets in other asset classes and derivative instruments when judged prudent. Investments cannot be made directly in an index.

Kopernik International Strategy Performance (as of 09/30/2026)

	1 Yr[P*]	3 Yr[P*]	5 Yr[P*]	10 Yr[P*]	Since Inception[P*]
International (Gross)	15.56%	20.39%	11.19%	10.99%	11.31%
International (Net)	14.58%	19.36%	10.23%	10.03%	10.35%
MSCI ACWI ex US (Net)	20.00%	20.52%	9.55%	9.24%	7.77%

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026[P]
International (Gross)	-10.18%	27.55%	11.61%	-5.29%	17.60%	20.50%	18.07%	-12.85%	15.68%	-2.93%	56.58%	7.67%
International (Net)	-10.58%	26.43%	10.74%	-6.12%	16.55%	19.42%	17.04%	-13.62%	14.66%	-3.77%	55.27%	6.99%
MSCI ACWI ex US (Net)	-9.32%	4.50%	27.19%	-14.20%	21.51%	10.65%	7.82%	-16.00%	15.62%	5.53%	32.39%	14.22%

P = Preliminary Performance, *Annualized
The Kopernik International composite started July 1, 2015
[1] MSCI ACWI ex USA performance is net and the 2015 YTD value reflects composite inception starting on July 1, 2015.

The performance shown is compared to the MSCI All Country World ex USA Index, a broad-based securities market index that captures over two thousand primarily large and mid-cap companies across 22 developed and 24 emerging market countries as of September 30, 2026. Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. The MSCI All Country World ex USA Index is different from the strategy in a number of material respects, including being much more diversified among companies and countries, having less exposure to emerging markets, and having no ability to invest in fixed income or derivative securities. Investments cannot be made directly in an index.

Kopernik GLOBAL Opportunities Strategy Performance (as of 09/30/2026)

	QTD	YTD	Since Inception[P*]
Global Opportunities (Gross)	-4.87%	-4.87%	-4.87%
Global Opportunities (Net)	-4.92%	-4.92%	-4.92%
MSCI ACWI ex US (Net)	-1.11%	-1.11%	-1.11%

P = Preliminary Performance, *Annualized
The Kopernik Global Opportunities strategy started August 31, 2026
[1] MSCI ACWI performance is net. and the YTD value reflects strategy inception starting period of 9/1/2026

The performance shown in the table above compares composite returns to the MSCI All Country World Index (MSCI ACWI), a broad-based securities market index that captures over two thousand primarily large and midcap companies across 23 developed and 24 emerging market countries as of July 31, 2026. Broad-based securities indices are not managed or subject to fees and expenses typically associated with managed accounts or investment funds. Kopernik's strategy is different from the MSCI All Country World Index in a number of material respects, including being more concentrated among investments in business and countries, having more exposure to emerging markets and companies with smaller capitalizations, as well as having the ability to invest a small percentage of assets in other asset classes and derivative instruments when judged prudent. Investments cannot be made directly in an index.

Actual performance may differ substantially from the performance presented. **Past performance is no guarantee of future results.**

Valuations and returns are computed and stated in U.S. Dollars. Results reflect the reinvestment of dividends and other earnings. Composite returns are net of non-reclaimable withholding taxes. Gross-of-fee returns for the composite are presented after all trading expenses. Net-of-fee returns are presented net of estimated actual investment management fees, including performance fees, if any. Investor performance may be higher or lower than the performance above depending on investor-level fees.