

THE FOUNDER EFFECT

Annual Report 2026

Why founder-led companies are reshaping global equity markets

Prepared by Lumenary Investment Management

1. EXECUTIVE SUMMARY

The Founder Effect describes the impact of founder ownership, influence and organizational imprint on company behavior and long-term performance.

This annual report builds on the framework developed in *The Founder Effect*, which examined how founders shape organizations through ownership, capital allocation, culture, decision-making and long-term strategic intent. The purpose of this report is to apply that framework to public markets, and to assess whether founder influence is visible in shareholder returns, financial performance, market-cycle behavior and portfolio construction.

The report also builds on prior work by Credit Suisse, Harvard Business Review, Bain, Reuters and academic studies into founder-led, family-controlled and ownership-influenced companies. Our objective is to take that analysis further by applying a systematic founder-led framework across global listed equities, and by examining whether founder influence represents a measurable and repeatable investment characteristic.

Over the period January 2016 to April 2026, founder-led companies delivered 17.1% annualized return compared with 11.9% for non-founder-led companies and 13.5% for the benchmark. Founder-led companies also represented 26.4% of global equity market capitalization in 2026, up from 11.6% in 2016. This suggests that founder influence is no longer a niche attribute of public markets, but an increasingly material feature of the global equity universe.

The evidence in this report points to four broad conclusions.

First, founder-led companies have delivered differentiated long-term shareholder returns over the observed period. The performance advantage is visible in cumulative total return and benchmark-relative performance over the full period reviewed.

Second, the Founder Effect appears broader than a narrow technology or mega-cap exposure. Sector composition and ex-technology analysis help test whether founder-led performance is explained solely by industry mix, or whether the signal remains visible beyond the technology sector.

Third, founder-led companies appear to behave differently across market cycles. They may experience periods of underperformance, particularly during sharp style rotations or rising-rate environments, but the full-period evidence points to stronger compounding, with founder-led companies participating strongly in subsequent market recoveries.

Fourth, founder-led companies exhibit distinct financial characteristics. The evidence in this report points to stronger growth, cash-generation and reinvestment characteristics across several displayed metrics, which may help explain the cohort's long-term market outcomes.

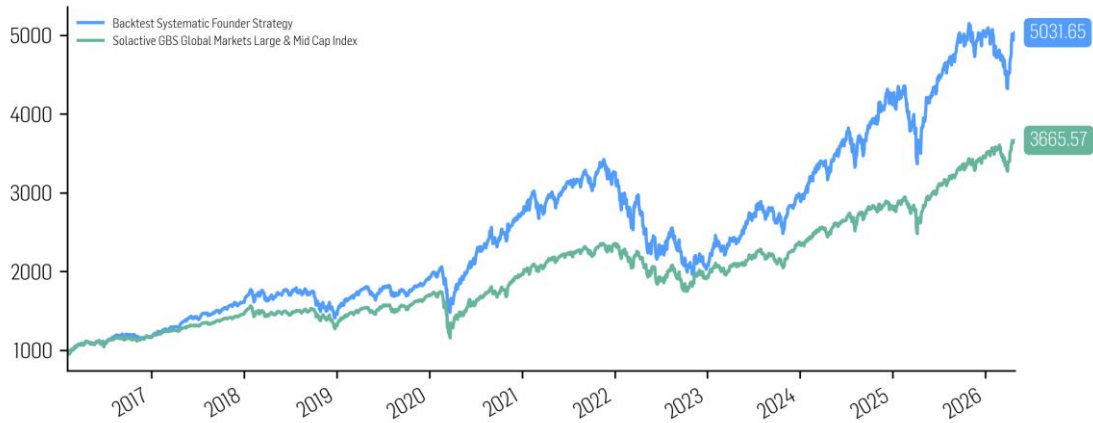
The Founder Effect should not be interpreted as a claim that all founder-led companies outperform. Founder influence can create risks as well as advantages. Concentrated control, succession issues, governance complexity and excessive founder dominance can all impair outcomes. The more useful conclusion is that founder influence is a measurable governance characteristic that investors can identify, monitor and analyze more explicitly.

As founder-led companies continue to account for a meaningful share of global market capitalization, investors should increasingly treat founder influence not as anecdotal context, but as a structural variable in company analysis and portfolio construction.

Exhibit 1

Founder-led companies have outperformed the global benchmark, 2016 to 2026

Cumulative total return; founder-led portfolio versus Solactive GBS Global Markets Large & Mid Cap Index.



Source: Lumenary research using Solactive index and benchmark data.

Exhibit 2

Founder-led returns have exceeded the global benchmark across the full period, 2016 to 2026

Annualized and recent-period return summary for the founder-led portfolio and global benchmark.

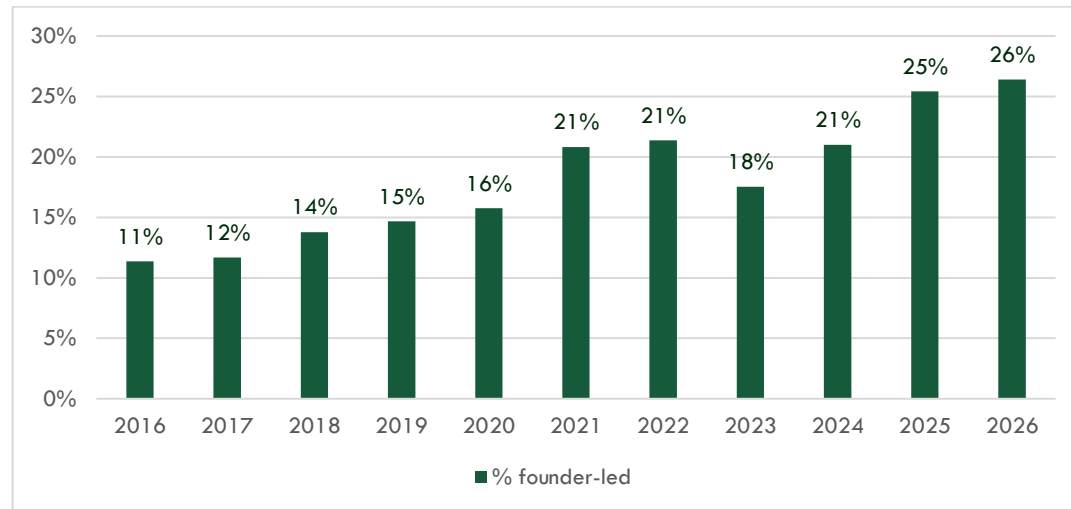
	1M	6M	YTD	Annualized		
				1Y	5Y	Inception
Founder-led	16.44%	-1.32%	0.85%	31.56%	10.89%	17.10%
Benchmark	11.97%	6.97%	6.49%	32.64%	11.07%	13.53%
Difference	4.47%	-8.29%	-5.64%	-1.08%	-0.18%	3.57%

Source: Lumenary research using Solactive index and benchmark data.

Exhibit 3

Founder-led companies are a rising share of global market capitalization, 2016 to 2026

Founder-led market capitalization as a percentage of the analyzed global equity universe.



Source: Lumenary research using Solactive index and benchmark data.

Exhibit 4

Key founder-led performance and market-share indicators, 2016 to 2026

Summary dashboard covering return, risk, market share and robustness metrics.

Metric	Founder-led	Benchmark
Number of companies in 2026	949	3,582
Annualized total return	17.10%	13.53%
Standard deviation (annualized)	18.66%	14.23%
Maximum drawdown	-42.65%	-33.60%
Market cap share in 2026	26.39%	100%
Ex-technology annualized return	13.55%	9.83%*

Source: Lumenary research using Solactive index and benchmark data.

* Ex-technology comparison is founder-led ex-technology versus benchmark ex-technology.

2. INTRODUCTION: THE FOUNDER EFFECT

Founder influence is often treated as company-specific context rather than a systematic investment variable. This section defines the Founder Effect, links the concept to the framework developed in *The Founder Effect*, and explains why founder ownership, governance influence, organizational culture and capital allocation may deserve more explicit attention in public equity markets.

2.1. What is the Founder Effect?

The Founder Effect refers to the observable impact of founder ownership, influence and organizational imprint on company behavior and long-term performance.

In public markets, founder influence is often discussed through individual examples: Amazon, Tesla, Nvidia, Meta, Hermès, Mercado Libre, Wise, Alphabet, Shopify and other companies where founders have played a defining role. Yet founder influence is rarely measured systematically across a broad equity universe.

This report asks whether founder influence can be evaluated as a structural governance factor. Founder-led companies often display several characteristics that distinguish them from conventionally managed public companies:

- meaningful ownership or economic alignment
- long-term capital allocation
- strategic continuity
- cultural consistency
- willingness to reinvest through cycles
- faster decision-making
- tolerance for calculated risk
- stronger connection between mission, organization and capital

The key question is not whether founders are inherently better managers. It is whether founder influence can create a different organizational system, and whether that system is visible in long-term market outcomes.

The Founder Effect is therefore not defined only by whether a founder remains in executive leadership. It may also be visible where founders retain ownership, board influence, voting control, strategic authority, cultural imprint or capital allocation influence. This broader definition is important because founder influence can persist even after a company has professionalized its management structure.

2.2. From book framework to market evidence

The Founder Effect examined how founders shape companies from the inside, through ownership, influence, capital allocation, organizational structure and culture. This annual report applies that framework to global public equities.

Where the book focused on the internal mechanics of founder-led organizations, this report examines the external market evidence:

- Do founder-led companies perform differently?
- Are they becoming more important in global markets?
- Is performance explained only by technology exposure or mega-cap winners?
- Do founder-led companies behave differently across market cycles?
- Are there observable differences in fundamentals, reinvestment and profitability?
- Can founder influence be incorporated into a repeatable analytical framework?

This report is therefore not a summary of the book. It is the first annual application of the Founder Effect framework to listed equity markets.

2.3. Why this matters now

The global equity market has become increasingly concentrated in companies where the primary sources of value are no longer physical scale alone, but intangible assets, intellectual capital, culture, product velocity, capital allocation and strategic clarity.

At the same time, many public companies face short-term pressure from quarterly earnings expectations, incentive structures and professional management turnover. In that environment, founder-led companies may have an advantage where founder influence supports longer-duration thinking, clearer strategic decision-making and greater willingness to invest through cycles.

Investors already own founder-led companies through broad global equity benchmarks. But most do not measure founder-led exposure directly. Founder influence is often treated as qualitative background rather than as a measurable portfolio characteristic.

This creates an analytical gap. If founder influence is associated with observable differences in company behavior, performance and risk, then investors should be able to identify it, measure it and assess it more explicitly.

Exhibit 5

Founder influence can be measured across governance, ownership and leadership dimensions

Illustrative dimensions through which founder influence may be observed and assessed.

Dimension	What it captures	Why it matters	Illustrative indicators
Ownership	Economic alignment	Reduces agency risk	Founder or founder family ownership
Governance	Board or voting influence	Supports strategic continuity	Founder board role, voting rights
Management	Direct operational role	Links vision to execution	Founder CEO, chair, executive role
Culture	Organizational imprint	Shapes behavior over time	Founder values, mission, decentralization
Capital allocation	Use of cash and reinvestment	Drives compounding	Reinvestment and capital deployment patterns
Strategic control	Decision speed and consistency	Supports long-term execution	Strategic continuity and decision-making influence

Source: Lumenary research.

3. DATA AND VALIDATION

To test the Founder Effect credibly, founder influence must be classified consistently and measured against a broad public equity universe. This section outlines the dataset, classification approach, analytical method and validation framework used to compare founder-led and non-founder-led companies across global listed markets.

3.1. Dataset

This analysis is based on a broad global listed equity universe covering companies across developed and emerging markets.

The analysis covers the period from January 2016 to April 2026. The dataset brings together company-level market, classification, governance and financial information to assess founder-led and non-founder-led companies on a consistent basis over time.

The purpose of the dataset is to support a repeatable comparison of founder-led and non-founder-led companies across public equity markets.

Exhibit 6

Dataset coverage and analytical scope, 2016 to 2026

Summary of universe coverage, time period, classification fields and analytical limitations.

Item	Description
Time period	January 2016 to April 2026
Universe	Global listed equities, large/mid-cap Solactive universe
Benchmark	Solactive GBS Global Markets Large and Mid Cap Index
Number of companies in 2026	3,582
Number of countries in 2026	46
Number of sectors in 2026	11
Data sources	Solactive index data, supplemented by structured company financial and market data derived from official company filings, exchange feeds and regulatory sources.

Source: Lumenary research using Solactive index and benchmark data.

3.2. Founder classification approach

Companies are classified into two primary cohorts:

1. Founder-led
2. Non-founder-led

A company is classified as founder-led where there is evidence of material and ongoing founder influence. This influence may be expressed through formal roles, ownership structures, governance arrangements, strategic control, organizational imprint or other founder-linked characteristics.

The analysis is designed to identify material founder influence rather than rely on any single observable indicator.

This report uses a classification framework developed by Lumenary Investment Management. The framework is applied consistently across a broad global listed equity universe, while recognizing that founder influence can vary by company, sector, market and stage of maturity.

Founder-led classification may evolve over time as company circumstances change, and the universe is reviewed as part of each annual report cycle.

3.3. Analytical method

The analysis compares founder-led and non-founder-led companies using a consistent public-market framework across the observation period.

Performance is assessed using shareholder-return measures and interpreted alongside risk, sector exposure, market-cycle behavior and selected financial characteristics.

Where relevant, the analysis also examines sector exposure, technology concentration, market-cycle behavior and mega-cap influence to assess whether observed results reflect a broader founder-led characteristic rather than a narrow exposure to a particular sector, period or group of companies.

The methodology is intended to be repeatable across annual editions of this report, while recognizing that public-market data, company classifications and financial disclosures may vary over time.

3.4. Annual universe refresh

The founder-led universe is refreshed annually to reflect changes in index membership, listings, delistings, mergers, data availability and founder-influence classification.

This discipline matters because the Founder Effect is assessed against an evolving listed-equity universe, not a fixed historical sample. Each annual refresh is designed to preserve comparability while recognizing that the global listed company universe changes over time.

3.5. Validation

Results are reviewed for data quality, classification consistency and market reasonableness before presentation. Third-party index and benchmark data are referenced where relevant. Lumenary Investment Management remains solely responsible for the founder-led framework, company classifications, analysis, conclusions and interpretation of results.

4. RISE OF THE FOUNDER EFFECT

Before assessing performance, it is important to understand whether founder-led companies represent a meaningful part of global equity markets. This section examines founder-led market capitalization, company count, contribution to market value creation, sector and regional footprint, and the extent to which the cohort is concentrated in a small number of mega-cap companies.

4.1. Founder-led companies as a growing share of global markets

Founder-led companies are no longer a niche subset of public markets. Over the past decade, they have represented a growing share of global equity market capitalization as shown in

Exhibit 3.

In 2016, founder-led companies represented approximately 11.6% of the analyzed universe. By 2026, that figure had increased to 26.4%. This increase reflects the growth of existing founder-led companies, the emergence of new founder-led public companies and the continued market relevance of companies where founders remain influential after listing.

This matters because founder-led exposure is increasingly embedded inside broad market benchmarks. Investors may already own the Founder Effect, but most do not measure it directly.

4.2. Founder-led company count versus market value

The rise in founder-led market capitalization should be separated from the number of founder-led companies in the investable universe.

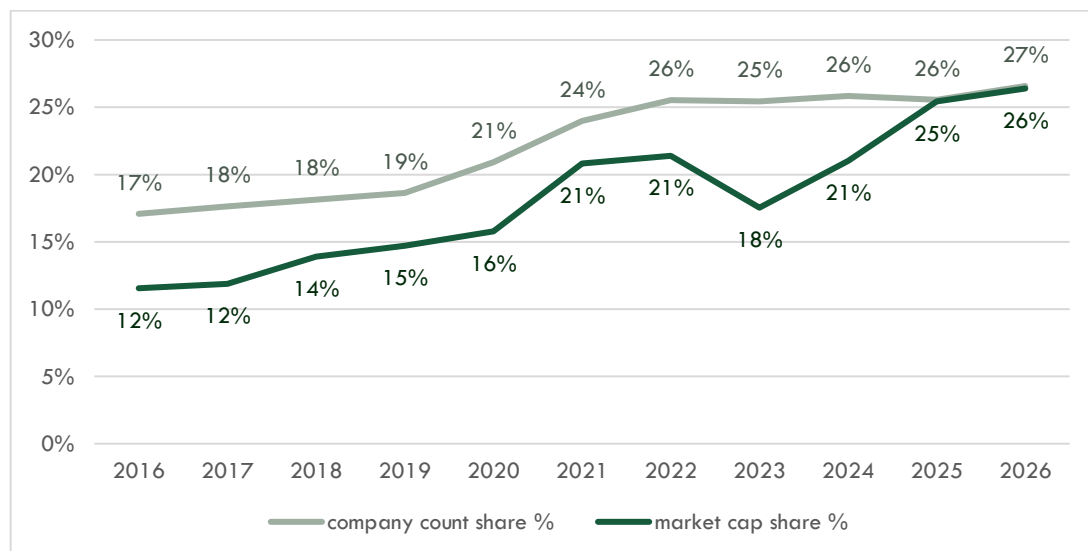
Exhibit 7 below shows founder-led companies have increased both as a share of company count and as a share of market value. The important point is that market capitalization share has not merely followed company count. Founder-led companies have also become more economically significant within the global equity universe.

This matters for investors assessing founder-led exposure. The cohort is not simply a small or niche subset of listed companies.

Exhibit 7

Founder-led companies have grown in both count and market value, 2016 to 2026

Founder-led share of company count and founder-led share of total universe market capitalization over time.



Source: Lumenary research using Solactive index and benchmark data.

4.3. Contribution to market value creation

Founder-led companies have contributed meaningfully to global market capitalization growth over the observed period.

This section decomposes market value creation between founder-led and non-founder-led companies. The purpose is to assess whether founder-led companies merely participated in market growth, or whether they created disproportionate value relative to their starting market capitalization.

Exhibit 8 below suggests founder-led companies were not just passengers in rising markets. In several years, they contributed materially more market value per dollar of starting market capitalization than non-founder-led companies. This points to a stronger compounding profile, where founder-led businesses have tended to convert their starting market value into a greater share of subsequent market value creation.

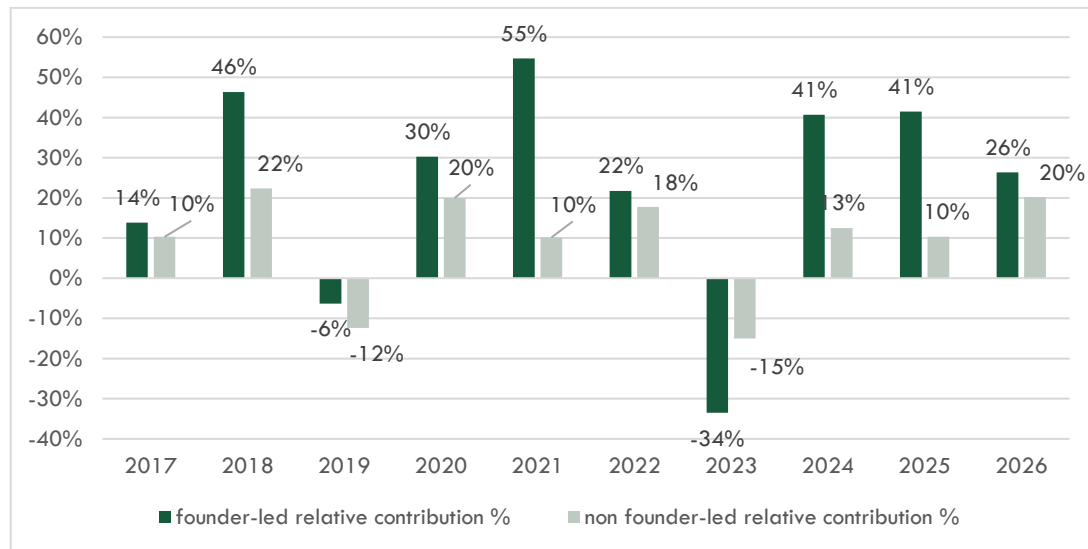
The result is important because it shifts the founder-led discussion from representation to contribution. Founder-led companies are not only becoming a larger part of the market, they have also been meaningful drivers of market value creation across the period.

The main exception is 2023, where founder-led companies detracted more sharply. This likely reflects the cohort's greater exposure to long-duration growth businesses, which were more sensitive to higher discount rates and the post-2021 valuation reset.

Exhibit 8

Founder-led companies created more market value per dollar of starting market cap in most years, 2016 to 2026

Relative contribution to market value creation by founder-led and non-founder-led cohorts.



Source: Lumenary research using Solactive index and benchmark data.

4.4. Sector and regional footprint

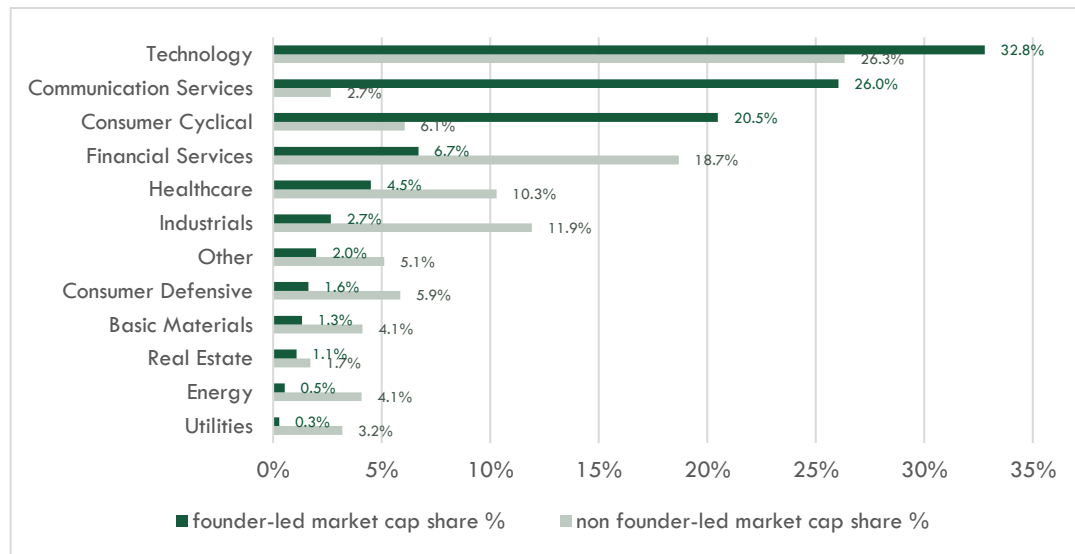
A credible founder-led report must show where founder-led companies are located by sector and geography.

Founder-led companies are often associated with technology, but founder influence can appear across consumer, industrial, luxury, healthcare, financial, communication services and emerging market companies.

Exhibit 9

Founder-led market cap is tilted toward innovation-oriented sectors, 2026

Market-cap weighted sector composition of founder-led and non-founder-led companies.

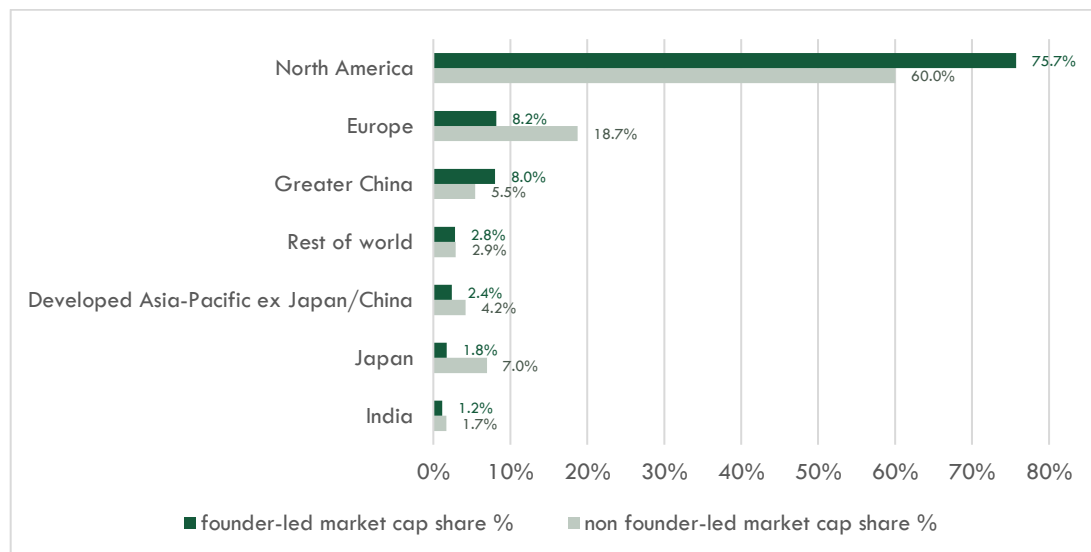


Source: Lumenary research using Solactive index and benchmark data.

Exhibit 10

Founder-led market cap is more concentrated in North America and Greater China, 2026

Market-cap weighted regional composition of founder-led and non-founder-led companies.



Source: Lumenary research using Solactive index and benchmark data.

Exhibit 11

The largest founder-led markets combine global scale with meaningful local market penetration, 2026

Top countries by founder-led market capitalization, global founder-led share and local market-cap share.

Rank	Country	Founder-led Market Cap (USD billion)	Share of Global Founder-led Market Cap %	Share of Local Market Cap %
1	United States	18,100	74%	32%
2	China	1,513	6%	52%
3	Switzerland	586	2%	28%
4	France	516	2%	29%
5	Canada	506	2%	18%
6	Japan	431	2%	8%
7	South Korea	289	1%	18%
8	India	283	1%	20%
9	Taiwan	269	1%	12%
10	Netherlands	214	1%	17%

Source: Lumenary research using Solactive index and benchmark data.

4.5. Founder-led companies and the mega-cap phenomenon

A common critique of the Founder Effect is that founder-led performance may simply reflect exposure to a small number of mega-cap companies. That critique is important, but it can also be reframed. The question is not only whether founder-led companies benefited from the mega-cap phenomenon. It is whether founder-led companies helped create it.

Between 2016 and 2026, companies that were founder-led at the starting point were materially more likely to scale into the very largest public companies. Among companies below USD 500bn in market capitalization in 2016, 1.46% of founder-led companies became USD 500bn+ companies by 2026, compared with 0.35% of non-founder-led companies. In other words, founder-led companies were approximately 4.1 times more likely to become mega-caps.

The result does not establish causation, but it does weaken the argument that founder-led performance is merely a passive exposure to companies that were already mega-caps.

A more credible interpretation is that founder-led companies have been disproportionately represented among the businesses that scaled into mega-cap status during an innovation-driven market cycle. Founder influence may matter most in precisely the environments where long-duration vision, product intensity, reinvestment discipline, platform scale and strategic control are rewarded.

The implication is that mega-cap exposure should be treated as both a risk factor and a signal. It creates concentration risk, but it also reflects the market reality that some founder-led companies have become central drivers of global equity market leadership.

Exhibit 12

Founder-led companies were more likely to scale into mega-cap status, 2016 to 2026

Share of companies below US\$500bn in 2016 that became US\$500bn-plus companies by 2026.

Cohort	Companies below US\$500bn in 2016	Became US\$500bn+ by 2026	Mega-cap hit rate %
Founder-led	412	6	1.46%
Non-founder-led	1,993	7	0.35%

Source: Lumenary research using Solactive index and benchmark data.

5. ANNUAL FOUNDER-LED SCORECARD

The Founder Effect is best assessed over long periods, but each annual edition of this report also examines what changed in the most recent year.

Founder-led companies operate in dynamic public markets. Each year, some compound strongly, others disappoint, sector leadership changes, market value creation rotates and the investable founder-led universe evolves as companies list, delist, enter or leave market benchmarks, or change classification.

This annual scorecard is designed as a practical monitoring framework. It identifies the founder-led companies that shaped the latest year across three dimensions: scale, shareholder returns and fundamental performance.

The scorecard is intended to show where founder-led exposure was most visible in the latest year, and whether market outcomes were supported by underlying business progress.

For portfolio construction, this distinction matters. A founder-led universe can contain mega-cap compounders, smaller high-growth companies, cyclical winners, regional leaders and companies undergoing valuation resets. The annual scorecard therefore complements the long-term analysis by showing the current shape, dispersion and investability of the founder-led opportunity set.

5.1. Scale and investability

The largest founder-led companies show that founder influence is not confined to early-stage businesses or niche growth companies. By 2026, several founder-led companies had scaled into core global equity holdings, with meaningful representation across technology, communication services, consumer, healthcare, financials and luxury.

Exhibit 13 lists the largest founder-led issuers by market capitalization. This table is important because it shows the investable depth of the founder-led universe. Founder-led exposure is not simply a small-cap or thematic tilt; it includes some of the most liquid and systemically important companies in global equity markets.

The table also helps frame the rest of the annual scorecard. Large founder-led companies can have a disproportionate effect on portfolio returns and market value creation, while smaller companies may produce higher percentage returns but contribute less absolute market value. For that reason, annual performance should be read through both lenses: percentage TSR and market-cap impact.

Exhibit 13

Largest founder-led issuers by market capitalization, 2026

Top 10 founder-led issuers ranked by market capitalization.

Rank	Company
1	NVIDIA Corporation
2	Amazon.com, Inc.
3	Alphabet Inc.
4	Meta Platforms, Inc.
5	Tesla, Inc.
6	Tencent Holdings Limited
7	Netflix, Inc.
8	Palantir Technologies Inc.
9	Oracle Corporation
10	Roche Holding AG

Source: Lumenary research using Solactive index and benchmark data.

5.2. Annual performance dispersion

The first annual performance snapshot examines the strongest and weakest founder-led performers by one-year total shareholder return in calendar year 2025.

These tables are intended to show more than the outer edges of annual performance. They illustrate the breadth of outcomes within the founder-led universe and the importance of distinguishing between percentage returns and economic impact. Several of the strongest performers generated exceptional TSR from relatively small starting market capitalizations, while some of the largest absolute losses came from substantially larger companies. For portfolio construction, the latter can matter more.

The strongest performers show how sharply founder-led companies can reprice when execution, industry structure and investor expectations move in the same direction. In 2025, the leaders were concentrated in technology hardware, industrial supply chains and basic materials, where earnings momentum, capacity demand or commodity exposure supported outsized gains.

Exhibit 14

Top founder-led performers by one-year total shareholder return, calendar 2025

Highest one-year TSR founder-led companies, with starting market cap, ending market cap and market-cap change.

Rank	Company	Country	Sector	Market cap at start (USD bn)	Market cap at end (USD bn)	Market cap change (USD bn)	1-year TSR
1	Victory Giant Technology (HuiZhou) Co., Ltd.	China	Technology	0.3	2.3	2.0	589%
2	Fresnillo plc	Mexico	Basic Materials	1.5	8.7	7.2	414%
3	Zhongji Innolight Co., Ltd.	China	Industrials	1.1	5.9	4.8	402%
4	EchoStar Corporation	United States	Technology	2.3	2.6	0.3	378%
5	CMOC Group Limited	China	Basic Materials	2.6	9.9	7.3	280%
6	GT Gold Holdings Limited	Hong Kong	Basic Materials	2.5	9.2	6.7	278%
7	Shenzhen Envicool Technology Co., Ltd.	China	Industrials	0.2	0.9	0.6	267%
8	Giant Network Group Co., Ltd.	China	Technology	0.2	0.8	0.6	266%
9	Shenzhen Han's CNC Technology Co., Ltd.	China	Industrials	<0.1	0.2	0.1	248%
10	Wolong Electric Group Co., Ltd.	China	Industrials	0.2	0.6	0.5	244%

Source: Lumenary research.

The weakest performers point to a different source of dispersion. Losses were concentrated among larger technology and software-related businesses, where valuation resets and weaker market expectations translated into substantial destruction of absolute market value.

Exhibit 15

Weakest founder-led performers by one-year total shareholder return, calendar 2025

Lowest one-year TSR founder-led companies, with starting market cap, ending market cap and market-cap change.

Rank	Company	Country	Sector	Market cap at start (USD bn)	Market cap at end (USD bn)	Market cap change (USD bn)	1-year TSR
1	The Trade Desk, Inc.	United States	Technology	54.1	16.9	-37.3	-68%
2	Wix.com Ltd.	Israel	Technology	12.1	5.3	-6.8	-52%
3	WiseTech Global Limited	Australia	Technology	14.2	8.2	-6.1	-45%
4	Voltronic Power Technology Corp.	Taiwan	Industrials	4.1	2.1	-2.0	-44%
5	HubSpot, Inc.	United States	Technology	35.0	20.0	-15.1	-42%
6	Cheng Shin Rubber Ind. Co., Ltd.	Taiwan	Consumer Cyclical	3.2	2.1	-1.1	-37%
7	Constellation Brands, Inc.	United States	Consumer Defensive	34.1	21.7	-12.5	-36%
8	Oracle Financial Services Software Limited	India	Technology	3.2	1.9	-1.3	-36%
9	monday.com Ltd.	Israel	Technology	7.8	5.9	-1.9	-36%
10	Shenzhen Expressway Corporation Limited	China	Industrials	0.1	0.1	<0.1	-33%

Source: Lumenary research.

Taken together, the tables highlight that the founder-led universe is not narrow or uniform. It spans smaller high-growth companies, large established compounders, cyclical businesses and structurally different regional exposures. That diversity matters for institutional investors because founder-led exposure is not a single factor bet; it is a broad investable universe whose annual outcomes depend on company size, sector mix, valuation, fundamentals and portfolio weighting.

5.3. Fundamental quality leaders

Share price performance can be influenced by valuation, sentiment, liquidity and macro conditions. Fundamental performance provides a separate test: whether founder-led companies are also creating underlying business value.

The key takeaway from Exhibit 16 is that founder-led strength in 2025 was not limited to market performance. A number of founder-led companies also ranked highly on operating

quality, combining growth, profitability, cash generation, reinvestment discipline and balance-sheet strength.

This matters because the Founder Effect is most persuasive where shareholder returns are supported by business fundamentals rather than multiple expansion alone. For investors, fundamental quality also helps distinguish between a tradable theme and a durable investment universe.

Exhibit 16 identifies founder-led companies with the strongest fundamental quality scores in the screened investable universe. The score is based on structured company financial data and is designed to be practical, repeatable and comparable across companies. It captures a range of growth, profitability, cash-generation, reinvestment and balance-sheet characteristics.

Exhibit 16

Founder-led fundamental quality leaders, calendar 2025

Top founder-led companies ranked by Lumenary quality score across selected fundamental performance characteristics.

Rank	Company	Lumenary quality score
1	HITHINK ROYALFLUSH INFORMATION	94
2	NVIDIA CORP	91
3	ROBINHOOD MARKETS INC	89
4	SUZHOU TFC OPTICAL	88
5	ARGENX SE	86
6	REDDIT INC	86
7	PALANTIR TECHNOLOGIES INC	85
8	ARISTA NETWORKS INC	85
9	PHARMAESSENTIA CORP	85
10	ZHONGJI INNOLIGHT CO LTD	84

Source: Lumenary research, using structured company financial and market data derived from official company filings, exchange feeds and regulatory sources.

The quality score should be read as a relative ranking, not an absolute measure of company value or investment merit. A higher score indicates that a company performed strongly across several fundamental dimensions during 2025 compared with other founder-led companies in the screened universe. The model is deliberately multi-factor so that no single accounting ratio, one-off result or extreme outlier dominates the ranking.

This exhibit should be interpreted alongside the TSR tables. A founder-led company may underperform in the market while continuing to improve its business fundamentals. Conversely, strong share price performance may reflect valuation expansion rather than operating progress. The most compelling evidence appears where market outcomes and fundamental progress point in the same direction.

6. EVIDENCE AND ROBUSTNESS TESTS

The central question of this report is whether founder influence is associated with observable differences in public-market outcomes after allowing for the most obvious alternative explanations.

The evidence is strongest when it is consistent across several tests: long-term total return, risk-adjusted performance, market-cycle behavior, sector and technology exposure, company-level dispersion, concentration and underlying financial performance. No single test is conclusive on its own. Taken together, they provide a more practical basis for assessing whether founder-led exposure can be treated as an investable equity characteristic rather than a narrow historical theme.

For investors, the relevant question is whether the founder-led universe is broad, measurable and economically meaningful enough to warrant explicit attention in equity research and portfolio analysis. This section therefore summarizes the evidence through a robustness lens.

6.1. Summary of the evidence

Founder-led companies compounded ahead of the benchmark over the full period reviewed.

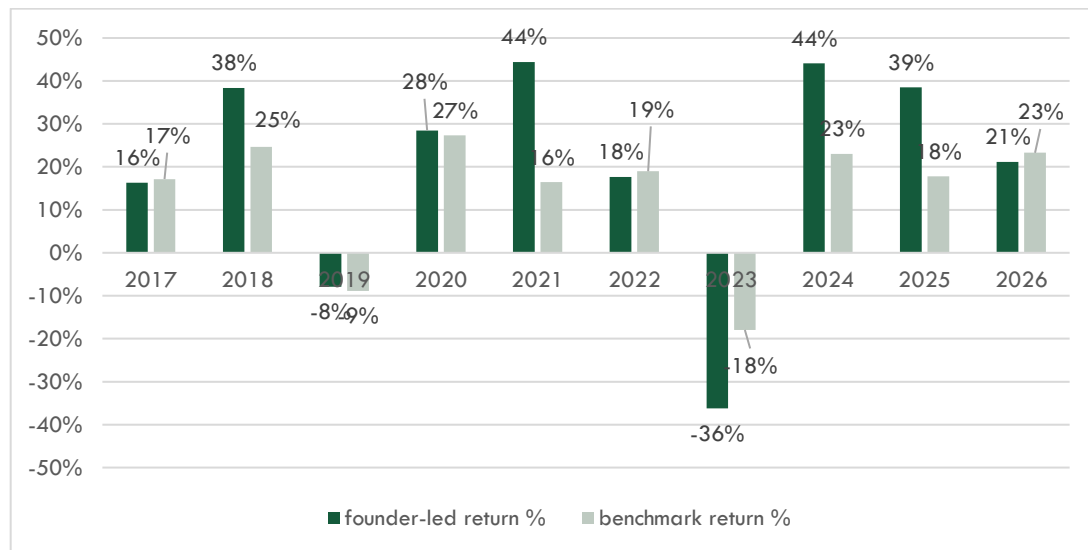
Exhibit 1 showed the founder-led series increased from 1,000 in 2016 to 5,031 by 2026, compared with 3,665 for the benchmark. The return advantage was approximately 357 basis points per annum.

The return path was not linear. Founder-led companies experienced periods of underperformance, most notably during the 2022 rate shock, but recovered strongly in the subsequent market rebound. The evidence is better framed as a full-cycle compounding characteristic with higher sensitivity to growth, innovation and investor risk appetite.

Exhibit 17

Founder-led annual returns versus the global benchmark, 2016 to 2026

Calendar-year return comparison between the founder-led portfolio and global benchmark.



Source: Lumenary research using Solactive index and benchmark data.

6.2. Robustness tests

The report tests the Founder Effect against the main alternative explanations: technology concentration, sector exposure, mega-cap influence, market-cycle behavior and fundamental performance.

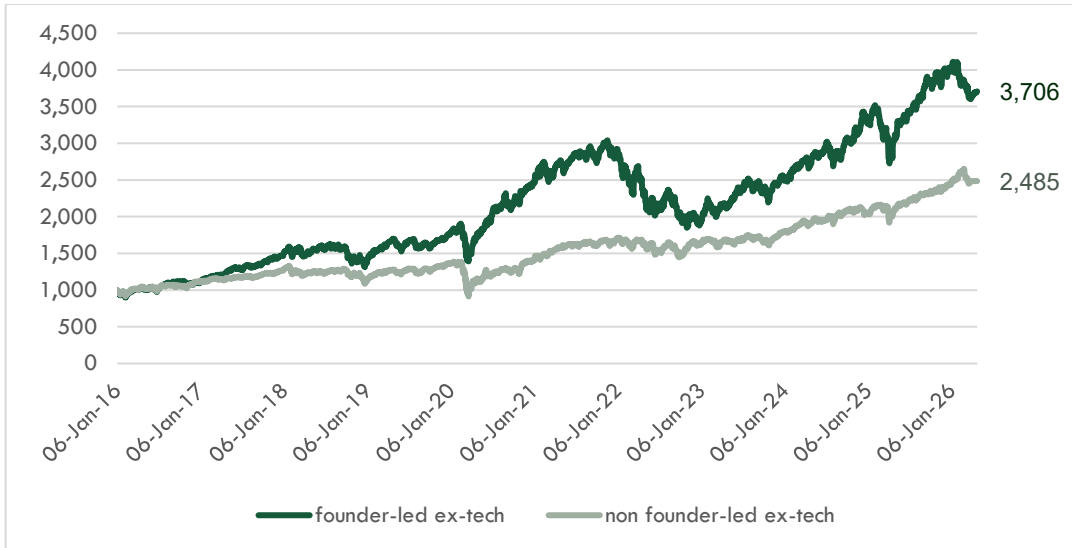
The purpose is to assess whether the founder-led signal remains credible after controlling for the most obvious objections.

The strongest counterargument is that founder-led performance may simply reflect technology exposure. To test this, the report reconstructs founder-led and non-founder-led performance after excluding technology companies from the universe. The result remains supportive: founder-led ex-technology companies compounded ahead of the benchmark ex-technology by approximately 372 basis points per annum, and ahead of non-founder-led ex-technology companies by approximately 432 basis points per annum.

Exhibit 18

Founder-led outperformance persists outside technology, 2016 to 2026

Ex-technology cumulative return comparison between founder-led and non-founder-led companies.



Source: Lumenary research.

Exhibit 18 is an analytical reconstruction using Lumenary sector data and founder-led classification. It is not an official ex-Technology index. It should therefore be interpreted as a robustness test, not as a certified benchmark series.

Exhibit 19

The founder-led return advantage remains visible outside technology, 2016 to 2026

Ex-technology annualized return comparison between founder-led, non-founder-led and benchmark portfolios.

Portfolio	Annualized return (2016 to 2026)
Founder-led ex-technology	13.55%
Non-founder-led ex-technology	9.23%
Benchmark ex-technology	9.83%

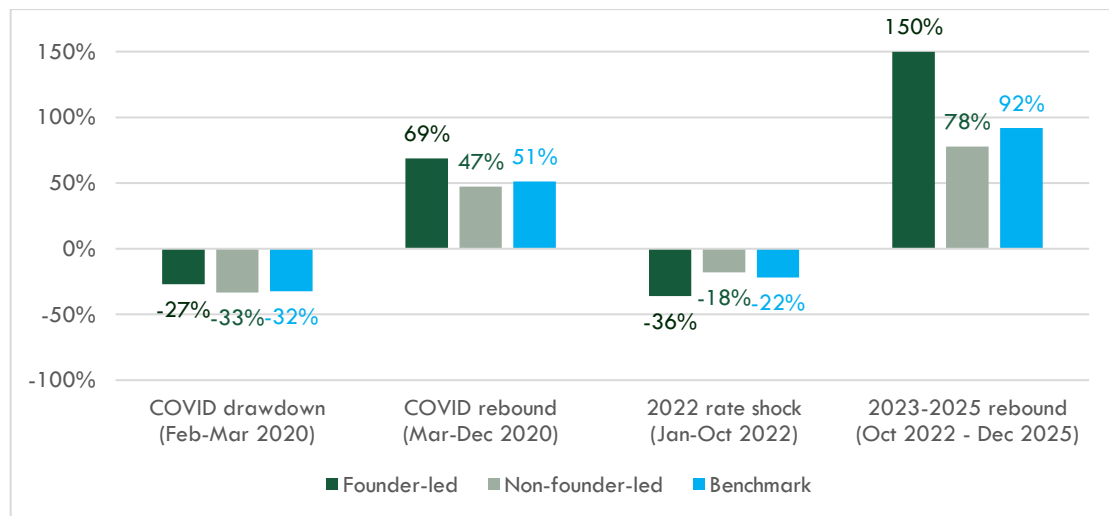
Source: Lumenary research.

A second test examines market-cycle behavior. Founder-led companies should not be expected to outperform in every regime. Many founder-led businesses are long-duration compounders whose market values are sensitive to growth expectations, discount rates and risk appetite. The evidence is consistent with that interpretation. Founder-led companies participated strongly in recoveries but underperformed during the 2022 rate shock.

Exhibit 20

Founder-led performance varies across market regimes, 2020 to 2025

Return comparison across COVID drawdown, COVID rebound, 2022 rate shock and 2023-2025 recovery periods.



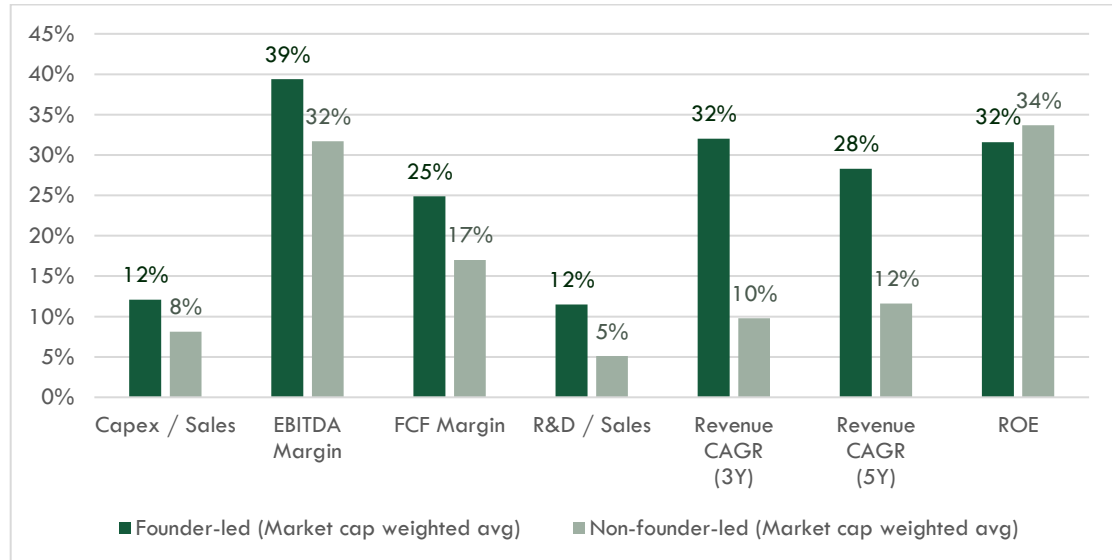
Source: Lumenary research using Solactive index and benchmark data.

The third test examines whether market performance is supported by underlying business fundamentals. Founder-led companies show stronger market-cap weighted results across most displayed fundamental metrics, including revenue growth, EBITDA margin, free cash flow margin, R&D intensity and capex intensity. This suggests that founder-led performance is not only a valuation or sentiment effect.

Exhibit 21

Founder-led companies show stronger growth, cash generation and reinvestment characteristics

Market-cap weighted comparison of selected fundamental metrics using latest available financial statement data.



Source: Lumenary research, using structured company financial and market data derived from official company filings, exchange feeds and regulatory sources.

Exhibit 21 uses the latest available financial statement data and is presented as Lumenary research analysis rather than as an independently produced benchmark or externally validated factor series. Low-coverage metrics are excluded from the publication chart. Founder-led companies are not stronger on every metric, so the appropriate interpretation is that the cohort shows stronger fundamental characteristics across several important displayed dimensions.

The broader robustness case also draws on analyses presented elsewhere in the report. Sector exposure is examined in Section 4.4, where founder-led and non-founder-led sector composition are compared. Mega-cap influence is examined in Section 4.5, including the test of whether founder-led companies were more likely to become \$500bn-plus companies between 2016 and 2026. Annual return dispersion is covered in Section 5.2 through the best and worst performer tables.

Taken together, the robustness tests support a measured conclusion. Founder-led outperformance is not explained solely by technology exposure, and the cohort shows evidence of stronger business fundamentals. The Founder Effect is best framed as a long-term investable characteristic associated with compounding, reinvestment and founder influence, rather than as a short-term trading signal.

6.3. Interpretation

The Founder Effect is strongest where founder-led companies outperform in aggregate and where that performance is supported by business fundamentals, not just valuation expansion. It is also strongest where the signal remains visible outside technology and through different market regimes.

The Founder Effect is weakest where returns depend heavily on a small number of companies, a single sector, a narrow period or multiple expansion without operating support. Founder influence should be assessed as one investable characteristic among others: scale, liquidity, sector exposure, valuation, fundamentals, governance and portfolio construction all remain important.

Overall, the evidence supports the view that founder-led companies deserve explicit consideration in institutional equity research. Founder influence appears to be associated with measurable differences in long-term compounding, reinvestment behavior and market leadership, which the next section examines through the underlying mechanisms of the Founder Effect.

7. DRIVERS OF THE FOUNDER EFFECT

The evidence above raises the next question: what may help explain these different public-market outcomes? This section examines the mechanisms that may help explain those differences: alignment, reinvestment, strategic control, culture and governance discipline. These mechanisms can support long-term value creation when they reinforce one another, but they can also create risk when founder influence becomes excessive, unaccountable or poorly adapted to a company's stage of development.

7.1. Alignment

Founder-led companies often have a different ownership and incentive structure from widely held corporations. Founders may retain meaningful economic ownership, reputational capital, voting influence, board presence or family control. This can align decision-making with long-term shareholder outcomes.

Alignment matters because public companies face constant pressure to optimize for short-term earnings, quarterly expectations and consensus positioning. Founder influence can counterbalance that pressure where founders remain focused on long-term enterprise value, customer relevance and strategic durability.

Alignment is not automatic. Founder ownership can also create entrenchment, minority shareholder risk or resistance to necessary change. The relevant question is whether founder influence remains economically aligned, accountable and productive.

Exhibit 22

Founder alignment can create value, but only when accountability remains intact

Mechanism	Potential benefit	Potential risk	Investor question
Founder ownership	Economic incentives aligned with long-term value creation	Entrenchment or minority shareholder risk	Is ownership paired with accountability and performance?
Founder voting control	Supports long-term decision-making through volatility	Control can exceed economic exposure	Are minority protections and board checks credible?
Founder board role	Preserves strategic memory and mission clarity	Board influence may limit independent challenge	Does the board still provide effective oversight?
Founder or family operating role	Maintains active influence over execution and culture	Key-person dependence or succession risk	Is the operating role still productive and scalable?
Reputational capital	Founder identity can reinforce customer, talent and investor trust	Reputation can delay necessary change	Does reputational alignment improve decision-making?
Long-term shareholder alignment	May reduce agency risk and short-termism	Can justify underperformance for too long	Is long-termism supported by measurable progress?

Source: Lumenary research.

7.2. Reinvestment and capital allocation

Capital allocation is one of the clearest ways founder influence may translate into shareholder outcomes.

Founder-led companies may be more willing to reinvest through downturns, tolerate short-term margin pressure, pursue long-duration projects and resist the pressure to maximize near-term earnings. This can be valuable in industries where innovation, scale, network effects, research intensity or brand investment compound over time.

The key distinction is between reinvestment and productive reinvestment. Spending more is not enough. Founder-led companies create value when reinvestment generates future growth, stronger competitive position, higher free cash flow or durable returns on capital.

As analyzed in Section 6.2, this is why the Founder Effect should be read alongside fundamental characteristics. Higher R&D, capex or acquisition spend only matters if it is connected to revenue growth, margin resilience, cash generation or market value creation.

Exhibit 23

Founder-led reinvestment matters most when capital allocation is productive

Capital allocation behavior	Positive expression	Negative expression	Evidence to monitor
R&D intensity	Investment in innovation, products and future optionality	Spending without commercial traction	Revenue growth, product adoption, margin path
Capex intensity	Capacity, infrastructure or scale advantage	Overbuilding or poor asset productivity	Asset turnover, FCF conversion, return on capital
Acquisition activity	Capability building or market expansion	Empire building or integration risk	Post-deal growth, margins and capital discipline
Buybacks and dividends	Capital returned when reinvestment opportunities are limited	Underinvestment in future growth	Payout balance versus reinvestment runway
Investment through downturns	Ability to gain share while competitors retrench	Cyclical overconfidence	Share gains and cash resilience after downturns
Free cash flow reinvestment	Self-funded compounding without excessive leverage	Cash burn or weak reinvestment returns	FCF growth, ROIC/ROE, balance-sheet strength

Source: Lumenary research.

7.3. Strategic control

Founder influence can support clearer strategic control. In many founder-led companies, the link between vision, capital allocation and execution is more direct than in more bureaucratic organizations.

This can matter during periods of technological change or industry transition. Founder-led companies may be more willing to enter new markets, cannibalize existing products, make unpopular long-term investments or move before consensus expectations adjust.

Strategic control can also support speed. Where founder influence remains constructive, companies may avoid excessive internal compromise and make faster decisions about product, customers, talent and capital deployment.

But the same mechanism can become a weakness. Strategic control can become over-centralized. Strong conviction can become rigidity. Founder authority can suppress challenge, weaken governance or create key-person risk.

The Founder Effect is therefore strongest where founder control is balanced by institutional-quality governance, capable management depth and evidence of adaptive decision-making.

Exhibit 24

Strategic control can support long-term value creation, but also increases governance risk

Mechanism	How it can create value	How it can create risk	What to monitor
Fast decision-making	Faster product, market and capital allocation response	Insufficient challenge or process discipline	Decision quality and execution outcomes
Long-term strategic vision	Persistent investment before consensus catches up	Attachment to legacy ideas	Evidence of adaptation as markets change
Founder authority	Clear strategic direction and accountability	Key-person risk or excessive centralization	Management depth and board independence
Product or customer obsession	Sharper customer focus and stronger product standards	Neglect of financial discipline	Customer metrics, retention, pricing power
Willingness to cannibalize	Ability to disrupt own business before competitors do	Premature pivots or strategic volatility	New product contribution and margin impact
Board independence	Balances founder conviction with oversight	Rubber-stamp governance	Independent directors, committees, shareholder rights

Source: Lumenary research.

7.4. Culture and organizational continuity

Founder influence is not only a governance characteristic. It can also shape culture.

Many founder-led companies retain a clearer sense of origin, mission and operating philosophy. This can influence hiring, incentives, customer focus, product standards, risk tolerance and how capital is allocated internally.

At scale, culture can become an operating system. It can help companies preserve speed, accountability and strategic coherence as they grow. It can also support resilience during drawdowns, when companies need to continue investing despite market pressure.

However, founder-originated culture is not always positive. It can become insular, overly dependent on one individual, resistant to professionalization or poorly suited to a larger public company. The relevant question is whether the culture remains adaptive as the company matures.

Exhibit 25

Founder-led culture can preserve speed, focus and continuity at scale

Cultural attribute	Potential advantage	Potential weakness	Investor evidence
Mission clarity	Provides a durable operating purpose	Can become ideological or inflexible	Consistency between mission, strategy and results
Customer obsession	Improves product relevance and retention	Can underprice risk or cost to serve	Retention, NPS/proxy signals, pricing power
Talent density	Attracts employees aligned with high standards	Founder-centric culture may exclude dissent	Hiring quality, retention, leadership bench
Internal ownership mindset	Encourages accountability and speed	Can increase pressure or burnout	Execution consistency and organizational health
Tolerance for long-term investment	Supports compounding and innovation	Can excuse weak near-term discipline	Milestones, cash generation and returns
Succession planning	Institutionalizes founder-originated strengths	Unclear transition can disrupt culture	Leadership depth and planned transition process

Source: Lumenary research.

7.5. When founder influence becomes a risk

Some founder-led companies destroy value. Others perform strongly for a period before governance, succession, capital allocation or valuation risk becomes more important.

Founder influence becomes less attractive when control is not matched by accountability, when ownership structures disadvantage minority shareholders, when reinvestment is not productive, when succession is unclear or when valuation already prices in unrealistic expectations.

This is especially important for institutional investors. Founder-led status may identify a potentially valuable characteristic, but it does not replace due diligence. It should be assessed alongside governance quality, balance sheet strength, valuation, liquidity, sector exposure and evidence of operating performance.

Exhibit 26

Founder-led investing requires governance, succession and valuation discipline

Risk area	Why it matters	Warning sign	Mitigating evidence
Entrenchment	Control may persist despite weak performance	Poor accountability or resistance to change	Independent governance and performance discipline
Minority shareholder risk	Control structures may disadvantage outside holders	Related-party issues or unequal rights	Clear shareholder protections and disclosure
Key-person dependence	Business may rely too heavily on one individual	Thin management bench	Deep leadership team and repeatable operating system
Succession uncertainty	Founder transition can disrupt strategy or culture	No credible successor or transition plan	Documented succession and proven senior team
Poor capital discipline	Reinvestment may not create value	Rising spend without growth or returns	ROIC/ROE, FCF conversion and hurdle discipline
Overexpansion	Founder ambition may outrun capacity	Too many markets, products or acquisitions	Phased execution and capital allocation restraint
Valuation risk	High-quality businesses can still be poor investments	Expectations imply unrealistic growth	Valuation support from growth and cash flow
Governance weakness	Founder influence may reduce checks and balances	Board weakness or limited disclosure	Independent oversight and transparent reporting

Source: Lumenary research.

7.6. Mechanism summary

The Founder Effect is most credible when several mechanisms reinforce each other: meaningful alignment, productive reinvestment, strategic clarity, adaptive culture and disciplined governance.

It is weakest where founder influence becomes symbolic, unaccountable or disconnected from financial performance. The presence of a founder is therefore not enough. What matters is whether founder influence continues to shape behavior in ways that improve long-term value creation.

Exhibit 27

The Founder Effect is strongest when alignment, reinvestment, culture and governance reinforce each other

Mechanism	Observable behavior	Financial expression	Investor relevance
Alignment	Founder-linked economic or governance alignment.	Long-term incentive alignment	May reduce agency risk
Reinvestment	R&D, capex and long-duration investment	Revenue growth, FCF growth, future optionality	May support compounding
Strategic control	Clear decision rights and willingness to act before consensus	Market share gains, faster execution, new business formation	May improve adaptability
Culture	Founder-originated mission and operating norms	Execution consistency, customer focus, talent retention	May support durability
Governance discipline	Founder influence balanced by accountability	Potentially lower governance risk and more disciplined capital allocation.	May protect minority shareholders
Succession	Founder influence institutionalized beyond one individual	Continuity of strategy and culture	May reduce key-person risk

Source: Lumenary research.

The Founder Effect should therefore be understood as a framework for analysis, not as a label. Founder-led companies deserve attention because founder influence can shape ownership, capital allocation, strategic behavior and culture. But the investment case is strongest only where those mechanisms remain productive, measurable and aligned with shareholders.

8. IMPLICATIONS FOR INVESTORS

Taken together, the evidence and mechanisms in this report suggest that founder-led global equities deserve more explicit consideration in institutional equity research and portfolio analysis, not merely as a subset of growth, quality or technology investing.

A broad global equity strategy typically captures the market after companies have already scaled, entered benchmarks and become widely owned. A founder-led analytical lens looks further upstream. It identifies companies where ownership, governance influence, culture and capital allocation may help create the quality, growth and reinvestment characteristics that investors later observe in financial statements and market returns.

This distinction matters because many of the attributes investors seek in global equities – durable growth, reinvestment discipline, strategic clarity, innovation intensity and long-term compounding – may be downstream expressions of founder influence. If that is true, founder-led exposure may provide a more direct way to access an important source of equity market leadership.

The challenge is interpretation. Founder-led exposure should not be equated with a narrow collection of founder compounders. A portfolio with a concentrated subset may increase exposure to the theme, but it can also amplify idiosyncratic risk, valuation risk, sector concentration, liquidity risk and selection bias.

The evidence in this report is more consistent with a broad and systematic way of assessing founder influence. The Founder Effect appears across sectors, regions and companies at different stages of maturity. Viewed this way, founder-led exposure is best understood as a diversified public-markets characteristic rather than a narrow collection of individual success stories.

This is important because founder influence can create risk as well as value. Founder control can support alignment, speed and long-term investment, but it can also create entrenchment, succession uncertainty, minority shareholder concerns and valuation excess. These risks reinforce the need to assess founder influence alongside concentration, sector exposure, valuation and governance quality.

For institutional investors, the implication is practical. Founder-led exposure should not be treated only as an incidental characteristic within broad global benchmarks, nor reduced to a small set of high-profile founder businesses. It can be measured, monitored and evaluated as a deliberate analytical dimension within public-equity portfolios.

This also has practical implications for portfolio analysis. If founder influence can be classified systematically, reviewed over time and examined across sectors, regions and market regimes, then it can become a more visible component of how investors assess long-term equity exposure. The evidence suggests that founder-led companies are sufficiently broad, economically meaningful and differentiated to warrant that attention.

The conclusion is therefore not simply that founder-led companies are interesting. It is that founder influence may be one of the upstream governance and organizational characteristics behind many of the growth and quality outcomes global equity investors already seek. Treating founder influence as an explicit analytical variable may help investors better understand the sources of long-term public-market leadership.

9. OUTLOOK

The Founder Effect is likely to become more relevant, not less, if the global economy continues to become more intangible, faster-moving and more information-rich.

In earlier industrial cycles, scale, physical assets, distribution and access to capital were often the dominant sources of advantage. Those factors still matter, but they are no longer sufficient. In many of today's most important markets, competitive advantage increasingly depends on speed of decision-making, product intuition, talent density, customer trust, data, brand, culture, capital allocation and the ability to invest through uncertainty.

These are less tangible sources of advantage. They are harder to measure in conventional financial statements, but they can determine which companies adapt fastest when technology, customer behavior and industry structure change.

This environment may favor founder-led companies. Founder influence can support strategic clarity, faster decision-making, stronger ownership alignment and a greater willingness to invest before the payoff is visible. It can also help preserve culture and mission as companies scale, which may matter more in industries where talent, innovation and customer relevance are central to long-term value creation.

The information age also changes the capital formation problem. Historically, many founders had to dilute control early in order to access capital, distribution or institutional credibility. That is less true today. Global capital markets, private markets, digital distribution, software scalability and network-based business models allow founders to retain influence for longer while still building companies of global significance.

As a result, the founder-led universe may continue to expand. More founders may remain involved after listing. More founder-led companies may scale into major public-market constituents. More founder and family-influenced companies may become material contributors to global market capitalization.

The risks remain real: governance concentration, succession, valuation, overconfidence and minority shareholder protection all matter. If these risks are mitigated, the structural environment appears increasingly aligned with the strengths that productive founder influence can bring.

The differentiators between companies may therefore become less about access to capital alone and more about the quality of judgment, culture, speed, reinvestment discipline and strategic adaptability. These are precisely the areas where founder influence can matter most.

The implication is that founder-led companies may become an increasingly important part of global equity markets over the next decade. If the economy continues to reward intangible assets, innovation, mission-driven cultures and long-term capital allocation, founder-led companies are well placed to capture a larger share of market value creation.

The Founder Effect should therefore be monitored not as a historical anomaly, but as a structural feature of modern public markets. The central question for future annual editions is whether founder-led companies continue to gain market share, compound capital and shape the next generation of global equity leadership.

10. ABOUT THE AUTHOR

Prepared by Lumenary Investment Management.

Date: May 2026

About Lumenary Investment Management

Lumenary Investment Management is a global equities manager specializing in founder-led companies. The firm applies a systematic research framework to study and invest in companies where founder influence, ownership alignment and long-term capital allocation remain important drivers of performance.

11. IMPORTANT INFORMATION

This report has been prepared by Lumenary Investment Management for general information and research purposes only. It does not constitute financial product advice, investment advice, a recommendation, an offer, solicitation or invitation to buy, sell or hold any security, financial product, index product or investment strategy.

The analysis is based on historical, backtested and reconstructed data. Historical performance, simulated performance and backtested results are not reliable indicators of future performance. Actual investment outcomes may differ materially due to transaction costs, liquidity, taxes, implementation timing, corporate actions, currency effects, data revisions, index methodology changes and other factors.

Founder-led classification involves judgment and may change over time. Lumenary Investment Management is responsible for the classification framework, analysis and interpretation in this report. Third-party index, benchmark and market data are used where available, including data and analytical outputs from Solactive AG. References to third-party data or index providers do not imply sponsorship, endorsement, approval, recommendation or commercial exclusivity.

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12. APPENDIX

12.1. Methodology overview

This report applies the Founder Effect framework to a global listed equity universe over the period 2016 to 2026.

Companies are classified as founder-led or non-founder-led using Lumenary's founder influence framework. A company may be classified as founder-led where there is evidence that a founder, co-founder or founder family retains material influence through ownership, governance, leadership, strategic or organizational channels.

The classification is intentionally broader than founder-CEO status. Founder influence can remain relevant after a company professionalizes management, provided the founder or founder-linked party continues to shape ownership, governance, culture, strategy or capital allocation.

Total shareholder return is used where dividend data is available. Where total return data is incomplete, price return is used as a fallback and labeled accordingly.

The report uses third-party index, benchmark and market data where available, including data and analytical outputs from Solactive AG. Lumenary is solely responsible for the founder-led classification framework, analysis, conclusions and interpretation. References to Solactive AG are for data attribution only. Solactive AG has not sponsored, endorsed, issued, approved or sold this report, and no statement in this report should be interpreted as representing the views of Solactive AG.

The analysis includes comparisons between founder-led companies, non-founder-led companies and the relevant global equity benchmark. Where appropriate, the report also examines ex-technology performance, sector composition, market-cycle behavior, fundamental characteristics, concentration and annual scorecard results.

12.2. Key definitions

Founder-led company

A listed company assessed by Lumenary as retaining material founder influence over the business.

Founder influence

The ongoing ability of a founder or founder-linked party to shape company direction, governance, culture or long-term decision-making.

Founder-led cohort

The group of companies classified as founder-led under Lumenary's founder influence framework at the relevant measurement date.

Non-founder-led cohort

Companies in the analyzed universe that do not meet the founder-led classification criteria at the relevant measurement date.

Founder-led market capitalization share

Founder-led companies' aggregate market capitalization as a percentage of the total analyzed universe market capitalization.

Total shareholder return

Share price appreciation plus dividends over the relevant measurement period, where dividend data is available.

Ex-technology analysis

A comparison that excludes companies classified in the technology sector to test whether founder-led performance is primarily a technology exposure.

Market-cycle analysis

A comparison of founder-led, non-founder-led and benchmark performance across defined market periods. The regime windows used in this report are Lumenary-defined analytical windows, not official market regimes.

Fundamental characteristics

Company financial metrics including growth, profitability, free cash flow, reinvestment intensity, capital efficiency and balance sheet strength. These are based on latest available financial statement data unless otherwise stated.

12.3. Limitations

Founder-led classification involves judgment. Founder influence is not always binary, and it may change over time as ownership, governance, management roles, family involvement and company circumstances evolve.

Historical performance is not indicative of future results. Backtested or reconstructed results may differ from live investment outcomes due to transaction costs, liquidity, taxes, implementation timing, corporate actions, currency effects, data revisions and methodology changes.

Some analyses rely on reconstructed return series, particularly where official ex-technology, non-founder-led or company-level total return series are not available. These should be interpreted as analytical tests rather than certified index results.

Fundamental data coverage varies by metric. Where coverage is incomplete, the report either excludes low-coverage metrics from publication charts or labels the relevant limitation.

The analysis may be affected by survivorship bias, missing data, dividend data limitations, differences between total return and price return data, changes in index membership and classification refinements over time. This report is a research framework for assessing founder influence across public markets, not investment advice or a recommendation to buy, sell or hold any security.

12.4. Prior research and context

This report builds on prior work examining founder-led companies, founder ownership, family-controlled businesses, governance, innovation and long-term value creation.

The Founder Effect by Lawrence Lam provides the conceptual foundation for this report. It examines how founders shape companies through ownership, capital allocation, culture,

decision-making, organizational structure and long-term strategic intent. This annual report applies that framework to global listed equity markets.

Prior professional and academic work has also explored related themes. Bain and Harvard Business Review have examined the founder mentality, owner mindset and organizational behaviors associated with founder-led companies. Credit Suisse Research Institute has published research on family-controlled and founder-influenced companies. Harvard Business School and academic researchers have studied founder CEOs, innovation, governance and stock market outcomes. Reuters and other financial media have also discussed founder-led companies as a market and investment theme.

These sources are included as context rather than as inputs into the reported results. The analysis in this report is based on Lumenary's founder-led classification framework, third-party index and benchmark data, Lumenary calculations and the review process described above.

The purpose of referencing prior work is to acknowledge the broader research tradition while extending it. This report contributes a systematic public-markets lens: measuring founder influence across a global listed universe, tracking its market capitalization share, testing performance through cycles, examining robustness outside technology and assessing whether founder influence may represent an upstream source of growth, quality and long-term compounding.