

# Selector High Conviction Equity Fund

Monthly report – November 2025

selector

## Market insights

There is a growing sense that the gap between financial assets and tangible, real-world assets has stretched too far after decades of rapid investment in technology and other intangibles, says Macquarie Global Strategist, Viktor Shvets. He notes this imbalance has been building for years, but with globalisation slowing, geopolitical tensions rising and economic data becoming more volatile (and recently, limited), investors are questioning whether the next cycle might favour real assets more commonly associated with the “old economy”. Intangible investment now makes up over half of U.S. private-sector GDP and has helped lift global equity values to more than 120% of world GDP, with total financial assets sitting at several multiples of economic output. Yet even the areas that should benefit from a shift toward self-reliance, such as commodities, land and infrastructure, are increasingly influenced by digital capabilities, which continue to drive the highest returns. Shvets believes that *“for good and bad, we are now residing in an intangible world, explaining rising inequalities and associated polarization, as well as highly concentrated equity returns. As tech bubbles ultimately burst, there will be a period of rotation to old economy exposures. But, given their secular strengths, intangibles and the new economy are likely to bounce back, and quickly.”*

A recent JP Morgan study has forecast global oil supply to outpace demand, expanding at three times the rate of demand in 2025 and 2026. Global inventories have risen by 1.5 million barrels per day (mbd) so far this year, the majority of that (1 mbd) comprised of oil-on-water and stocks in China. JP Morgan project this surplus to climb to 2.8 mbd in 2026. With no intervention to supply or demand, they forecast Brent prices falling below US\$60/barrel in 2026 (low sixties as we write), and into the low fifties by the final quarter of the new year (point of reference July 2022, Brent US\$102/barrel). They do, however, expect the market to find equilibrium through multiple means led by rising demand as a result of lower prices, in conjunction with a mix of voluntary and involuntary production cuts.

We continue to seek businesses with:

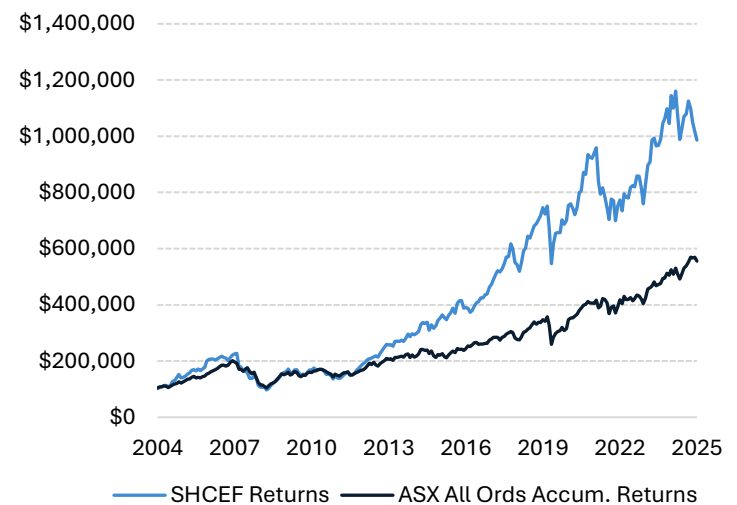
1. Competent management teams
2. Business leadership qualities
3. Strong balance sheets
4. A focus on capital management

## Performance as at 30 November 2025<sup>1</sup>

	1 Month	3 Month	6 Month	1 Year	3 Year <sup>2</sup>	5 Year <sup>2</sup>	10 Year <sup>2</sup>	15 Year <sup>2</sup>	20 Year <sup>2</sup>	Since Inception <sup>2</sup>
Fund (gross of fees)	(2.94)	(10.19)	(7.82)	(13.83)	8.43	5.53	10.82	12.52	10.18	11.46
Fund (net of fees)	(3.07)	(10.55)	(8.55)	(15.13)	6.81	3.92	8.95	10.57	8.27	9.47
All Ords Accum Index	(2.51)	(2.56)	4.60	5.84	9.95	9.83	9.64	8.68	7.67	8.47
Difference (gross of fees)	(0.43)	(7.63)	(12.42)	(19.67)	(1.52)	(4.30)	1.18	3.84	2.51	2.99

<sup>1</sup>Performance figures are historical percentages, calculated using end of month redemption prices, and do not allow for the effects of income tax or inflation. Returns assume the reinvestment of all distributions. Performance can be volatile, and future returns can vary from past returns. <sup>2</sup>Returns greater than 1 year are annualised.

## Gross value of \$100,000 invested since inception



Inception Date: 30/10/2004. Benchmark: S&P/ASX All Ordinaries Accumulation Index. Fund returns are before fees, costs and tax, and assuming reinvestment of distributions. Past performance should not be taken as an indicator of future performance.

## Top holdings

Company name	Code	Weight (%)
Resmed	RMD	7.68
CAR Group	CAR	7.53
Nanosonics	NAN	7.16
TechnologyOne	TNE	7.00
Aristocrat Leisure	ALL	6.47
Cochlear	COH	6.45
Pro Medicus	PME	6.44
FINEOS Corporation Holdings	FCL	5.78
James Hardie Industries	JHX	4.34
Fisher & Paykel Healthcare	FPH	4.24

## Unit Prices as at 30 November 2025<sup>1</sup>

Entry price	\$3.0439
Mid price	\$3.0363
Exit price	\$3.0287

<sup>1</sup> Unit prices quoted are for the last business date of each month.

# Selector High Conviction Equity Fund

Monthly report – November 2025

selector

## Performance contributors

Top five	Contribution (%)
Reece	0.28
FINEOS Corporation Holdings	0.27
WiseTech Global	0.23
Flight Centre Travel Group	0.16
Breville Group	0.15

Bottom five	Contribution (%)
TechnologyOne	(1.60)
Aristocrat Leisure	(0.50)
Nanosonics	(0.47)
SEEK	(0.41)
REA Group	(0.34)

## Portfolio Commentary

### Aristocrat Leisure (ASX:ALL)

Aristocrat Leisure delivered its FY25 result, reporting revenue growth of 11%, or 8% in constant currency (cc) to A\$6.3b (72% recurring), operating profit (EBITDA) of A\$2.6b, up 16%, and adjusted net profit after tax (NPATA) of A\$1.6b, an increase of 12%. Growth was driven by broad market share gains across the portfolio and the inclusion of acquired iGaming business NeoGames for the full 12 month period. NPATA was slightly offset by higher legal expenses related to ongoing proceedings against competitor Light & Wonder, lower interest income and a higher effective tax rate.

During the year, Aristocrat completed its divestiture of mobile gaming platform Plarium and Big Fish Games post year end, aligning the company's three business segments to a common core of gaming slot content and technology.

In land-based gaming, Aristocrat grew its North America Gaming Operations net install base by 4,094 units to 75,225, with market share subsequently increasing to 43%. Aristocrat remains the leading content supplier with 18 of the top 25 premium leased games.

Aristocrat Leisure has a market capitalisation of \$35b and net debt of \$423m.

### Fisher & Paykel Healthcare (ASX:FPH)

During November, Fisher & Paykel Healthcare announced a strong HY26 result, with revenue growing 14% (12% cc) to NZ\$1.09b, marking the first time the company surpassed NZ\$1b of revenue in a half. All segments performed well, with hospital revenue growing 17% (15% cc) to NZ\$692m and homecare revenue growing 10% (8% cc) to NZ\$396m.

Gross margins grew by 110 basis-points (60 basis-points cc) to 63%, driven by ongoing progress from continuous improvement initiatives and operational efficiency gains, whilst operating income (EBIT) increased 31% to NZ\$286m (26.3% margin). The business continues to target a long term gross profit and operating margin of 65% and 30% respectively.

CEO Lewis Gradon commented *"This is a strong result against the backdrop of robust growth in the first half of last year. We saw broad-based strength across the Hospital consumables portfolio during a period of lower seasonal respiratory hospitalisations, and in Homecare, our latest range of masks for treating obstructive sleep apnoea has performed well."*

The company increased its FY26 guidance to revenue of NZ\$2.17b-NZ\$2.27b, from NZ\$2.15b-NZ\$2.25b and NPAT of NZ\$410m-NZ\$460m, from NZ\$390m-NZ\$440m.

Fisher & Paykel Healthcare has a market capitalisation of \$19b.

### James Hardie Industries (ASX:JHX)

James Hardie Industries announced its 2Q26 result, recording group revenue of US\$1.3b, up 34%, adjusted operating profit (EBITDA) growth of 25% to US\$329.5m (25.5% margin) and adjusted net profit of US\$154m, down 2%. On an organic basis, James Hardie's siding business delivered revenue of \$947m and adjusted EBITDA of US\$241m, down 1% and 8%, whilst AZEK delivered net sales and adjusted EBITDA growth of 10% and 5% to US\$345m and US\$89m respectively.

For FY26, the company upgraded Siding & Trim revenue guidance from US\$2.7b-US\$2.9b to US\$2.9b-US\$3.0b given more stable market conditions and inventory levels than previously expected.

Existing Non-Executive Director Nigel Stein was appointed Chair and Ryan Lada joined as CFO, having previously served as CFO of AZEK, which JHX acquired this year.

James Hardie Industries has a market capitalisation of \$17b.

### TechnologyOne (ASX:TNE)

TechnologyOne reported its FY25 result, delivering revenue of \$610m, an increase of 18% and profit before tax of \$182, up 19%. Annual recurring revenue (ARR) grew 18% to \$555m, surpassing the company's \$500m target 18 months ahead of schedule. The company aims to double ARR every 5 years supported by new client wins, leading customer retention at 99% and ongoing cross sell opportunities within existing customers.

Local government and higher education delivered a strong result, increasing revenue by 22% and 24% to \$219m and \$141m respectively. More than 20 significant deals were closed in local government, and the business achieved a record number of higher education deals during the year. In the UK, ARR increased by 49% year-on-year to A\$52m. TechnologyOne continued to win larger clients including its second London borough through its SaaS+ solution which combines implementation costs and licence fees into a single annual recurring fee.

TechnologyOne has a market capitalisation of \$10b.

# Selector High Conviction Equity Fund

Monthly report – November 2025



## About Selector

Selector Funds Management ("Selector") specialises in high conviction, index agnostic, concentrated portfolio management (AFSL 225316). The investment team have a high level of experience, are owners of the business and invest in the funds alongside clients. Selector has a long-term track record of performance.

## Contact Us

Telephone: +61 2 8311 7736  
Email: [info@selectorfund.com.au](mailto:info@selectorfund.com.au)  
Address: Level 8, 10 Bridge Street  
Sydney NSW 2000  
[www.selectorfund.com.au](http://www.selectorfund.com.au)

**Justin Brooks | Head of Distribution & Portfolio Specialist**

[justin@selectorfund.com.au](mailto:justin@selectorfund.com.au)  
Telephone: +61 416 194 633

## Disclaimer

This update has been prepared by Selector Funds Management Limited ("Selector") ACN 102 856 347 AFSL 225316 to provide you with general information only. In preparing this update, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Selector nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Investment Memorandum before making a decision about whether to invest in this product. Selector does not guarantee the repayment of capital, payment of income or performance.

Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this material is prohibited without obtaining prior written consent from Selector.