

Selector Australian Equities Fund

Monthly report – January 2026

selector

Market insights

Rising bond yields, surging commodities and the fear of new AI models on software businesses, has resulted in material dispersion in listed valuations regardless of EPS growth.

The appointment of Kevin Warsh as the new Federal Chair of the U.S. Central Bank is expected to take effect in May, when the current term for Chair Jay Powell concludes. This is to be Warsh's second stint on the board, having served during 2006-2011. Warsh comes to the role with impeccable credentials and the backing of JP Morgan chief Jamie Dimon and investor Stanley Druckenmiller, where he remains a partner of Druckenmiller's family office since 2011.

Markets are looking beyond Powell to the shape of a Warsh led Federal Reserve. Warsh is on record on matters including Fed independence, its broad role and its boundaries. According to Warsh, the Fed should have a lower profile, its activities should appear in small paragraphs on back pages rather than dominating financial news. Notably, as The Economist wrote, under Warsh, "Quantitative easing (QE) is out the window. Mr Warsh has never wavered in his hatred of the vast balance sheet that the Fed accumulated through bond-buying."

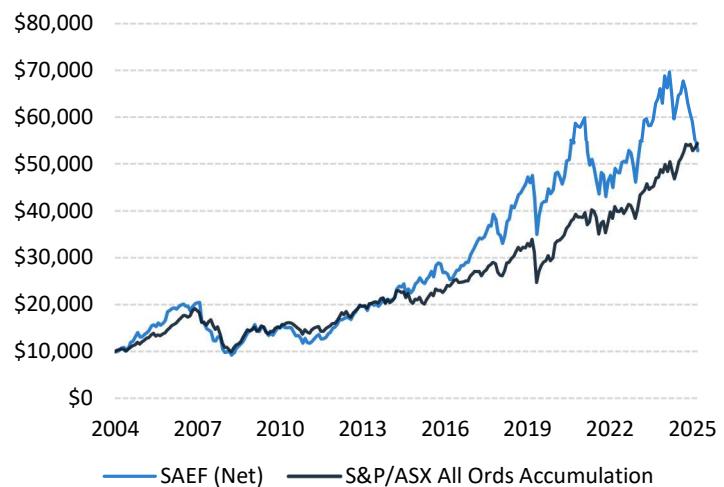
The U.S. deficit position and the nation's growing debt level will get the appropriate attention it deserves in a Warsh led Fed. Warsh believes AI will unlock material productivity gains that can offset lower migration and weaker demographics. If the debt is addressed, productive growth prevails and neutral rates are lower, and future interest rate adjustments can form part of a complete monetary response rather than being made in isolation.

Since the announcement of Warsh's appointment, markets have continued to whipsaw. On the surface, Warsh appears suited for the times, bringing experience, historical knowledge grounded in common sense. The truth will be in the doing and not in the saying.

We continue to seek businesses with:

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

Net value of \$10,000 invested since inception



Inception Date: 07/12/2004. Benchmark: S&P/ASX All Ordinaries Accumulation Index. Fund returns are after fees and costs, and assuming reinvestment of distributions. Past performance is not a reliable indicator of future results.

Top holdings

Company name	Code	Weight (%)
Resmed	RMD	7.42
Nanosonics	NAN	6.76
Aristocrat Leisure	ALL	6.16
TechnologyOne	TNE	6.05
CAR Group	CAR	5.96
Breville Group	BRG	5.95
Cochlear	COH	5.80
James Hardie Industries	JHX	5.53
Reece	REH	5.02
Pro Medicus	PME	4.90

Unit prices as at 31 January 2026

Entry price	\$2.6663
Mid price	\$2.6597
Exit price	\$2.6531

Performance as at 31 January 2026¹

	1 Month	3 Month	6 Month	1 Year	3 Year ²	5 Year ²	10 Year ²	15 Year ²	20 Year ²	Since Inception ²
Fund (gross of fees)	(4.53)	(13.05)	(21.52)	(23.48)	3.65	3.57	9.64	11.34	9.47	10.80
Fund (net of fees)	(4.61)	(13.29)	(21.94)	(24.13)	2.50	2.28	7.81	8.66	6.84	8.19
All Ords Accum. Index	1.62	0.31	3.42	7.63	9.95	10.01	10.28	8.61	7.47	8.33
Difference (net of fees)	(6.23)	(13.60)	(25.36)	(31.76)	(7.45)	(7.73)	(2.47)	0.05	(0.63)	(0.14)

¹Performance 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. Past performance is not a reliable indicator of future results. ²Returns greater than 1 year are annualised.

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Performance contributors

Top five	Contribution (%)	Bottom five	Contribution (%)
Breville Group	0.47	FINEOS Corporation Holdings	(1.55)
Reece	0.44	Pro Medicus	(0.88)
James Hardie Industries	0.32	ARB Corporation	(0.79)
Resmed	0.29	WiseTech Global	(0.69)
Cochlear	0.17	CAR Group	(0.66)

About Selector

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Selector Australian Equities Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

The Investment Manager, Selector Funds Management ("Selector"), specialises in high conviction, index agnostic, concentrated portfolio management. The investment team have a high level of experience, are owners of the business and invest in the funds alongside clients.

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, Equity Trustees 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 Product Disclosure Statement before making a decision about whether to invest in this product. Selector does not guarantee the repayment of capital, payment of income or performance.

Selector's Target Market Determination is available [here](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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