Selector Australian Equities Fund

Monthly report – February 2026

selector

Market insights

February is traditionally marked as one half of our annual company reporting calendar. While the focus should be on the individual business fundamentals, company reporting events took a backstage to what was playing out in the U.S., specifically around Artificial Intelligence (AI).

The release on 6 February of Anthropic's Claude Opus 4.6 and OpenAI's ChatGPT 5.3 new coding models, jolted markets, and has seen some business valuations decouple from fundamentals. This was compounded by passive and industry funds adhering to benchmarks that foster risk aversion.

Investments do face into structural headwinds, and all businesses need to adapt and reinvest or they get disrupted. The onset of AI will again require evolution. When we consider our individual holdings from a bottom-up perspective, we see companies that are durable, global leaders, with strong and sustainable financial metrics run by competent leaders, who in many cases are founders or have a founder's mindset, who are evolving their respective businesses. Most of our businesses are conservative in nature, with many holding net cash positions.

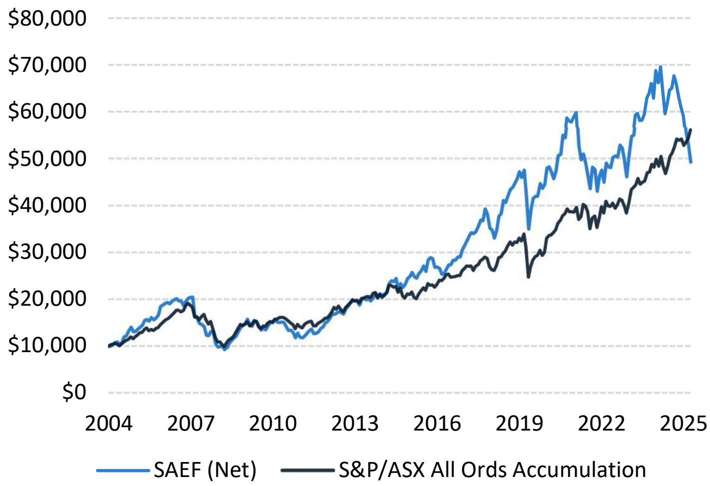
We have seen divergence in EPS growth and valuations during "market events" like GLP-1 scare which indiscriminately hit ResMed, Fisher & Paykel Healthcare along with chocolate providores and carbonated drink manufacturers. More recently building companies Reece and James Hardie Industries were sold down aggressively, only to recover when financial facts revealed these businesses are not "broken" but are moving forward with confidence.

Investors are nervous, increasingly reacting to daily "news" events. We caution such action. In the fullness of time, we suspect that the winners of "AI" are likely to be some of the companies that investors are currently discarding. Incumbency, trust, unique data and a mindset to adapt, invest and embed AI will empower the likes of CAR Group, Pro Medicus, REA, TechnologyOne and others. Staying the course is difficult. Our due diligence and consistent process suggest current valuations are compelling.

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 (%)
TechnologyOne	TNE	7.10
Resmed	RMD	6.95
Nanosonics	NAN	6.25
Breville Group	BRG	6.19
CAR Group	CAR	6.06
James Hardie Industries	JHX	6.00
FINEOS Corporation Holdings	FCL	5.96
Aristocrat Leisure	ALL	5.80
Reece	REH	5.57
Fisher & Paykel Healthcare	FPH	4.93

Unit prices as at 28 February 2026

Entry price	$2.4897
Mid price	$2.4835
Exit price	$2.4773

Performance as at 28 February 2026[1]

	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)	(6.58)	(16.43)	(24.87)	(23.26)	1.85	2.79	9.03	10.86	8.93	10.41
Fund (net of fees)	(6.63)	(16.62)	(25.25)	(24.06)	0.74	1.53	7.24	8.21	6.31	7.81
All Ords Accum. Index	3.34	6.33	3.60	15.81	12.09	10.42	10.81	8.69	7.61	8.46
Difference (net of fees)	(9.97)	(22.95)	(28.85)	(39.87)	(11.35)	(8.89)	(3.57)	(0.48)	(1.30)	(0.65)

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

Selector Funds Management ACN 102756347 AFSL 225316

Selector Australian Equities Fund

Monthly report – February 2026

Performance contributors

Top five	Contribution (%)
FINEOS Corporation Holdings	0.84
TechnologyOne	0.43
Reece	0.31
OFX Group	0.27
James Hardie Industries	0.13

Bottom five	Contribution (%)
Cochlear	(1.63)
Pro Medicus	(1.38)
Nanosonics	(0.90)
SEEK	(0.88)
WiseTech Global	(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.

Contact Us

Telephone: +61 2 8311 7736
Email: info@selectorfund.com.au
Address: Level 8, 10 Bridge Street
Sydney NSW 2000
www.selectorfund.com.au

Justin Brooks | Head of Distribution & Portfolio Specialist
justin@selectorfund.com.au
Telephone: +61 416 194 633

Disclaimer