Selector Small Companies Fund

Monthly report – February 2026

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.

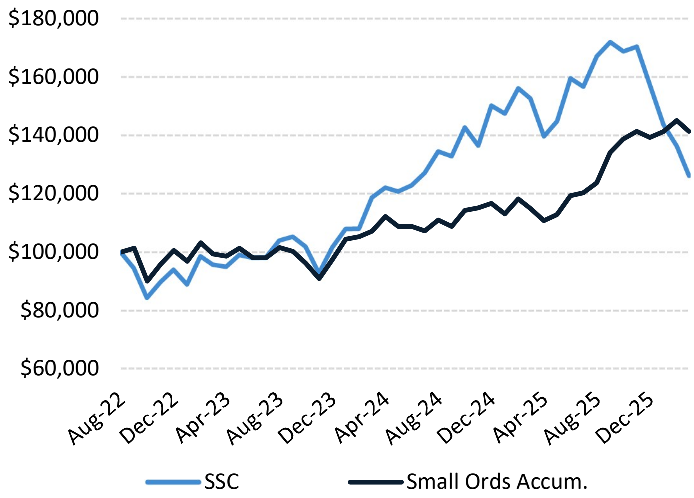
We have seen divergence in EPS growth and valuations during "market events" like GLP-1 scare which indiscriminately hit ResMed, Fisher & Paykel Healthcare along with chocolate providores and carbonated drink manufacturers. More recently building companies Reece and James Hardie Industries were sold down 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 Catapult, Life 360, Pro Medicus, 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

Gross value of $100,000 invested since inception



Inception Date: 01/08/2022. Benchmark: S&P/ASX Small 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 (%)
Breville Group	BRG	9.10
PWR Holdings	PWH	8.63
TechnologyOne	TNE	7.14
Nanosonics	NAN	6.99
Nick Scali	NCK	6.80

Unit prices as at 28 February 2026

Entry price	$1.2314
Mid price	$1.2283
Exit price	$1.2252

Performance as at 28 February 2026[1]

	FYTD	1 Month	3 Month	6 Month	1 Year	2 Year[2]	3 Year[2]	Since Inception[2]
Fund (gross of fees)	(19.48)	(7.41)	(19.78)	(26.66)	(17.36)	3.07	9.63	6.70
Small Ordinaries Accum. Index	17.52	(2.57)	1.53	5.42	23.05	14.92	12.51	10.15
Difference (gross of fees)	(37.00)	(4.84)	(21.31)	(32.08)	(40.41)	(11.85)	(2.88)	(3.45)

[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. Performance can be volatile, and future returns can vary from past returns. [2]Returns greater than 1 year are annualised.

Selector Small Companies Fund

Monthly report – February 2026

Performance contributors

Top five	Contribution (%)
FINEOS Corporation Holdings	0.74
PWR Holdings	0.66
Netwealth Group	0.45
TechnologyOne	0.41
Catapult Group International	0.17

Bottom five	Contribution (%)
Nick Scali	(2.29)
Pro Medicus	(1.81)
Temple & Webster Group	(1.43)
Flight Centre Travel Group	(1.26)
Nanosonics	(1.02)

Portfolio Commentary

Netwealth (ASX:NWL)

During February, Netwealth, a leading wealth platform reported a strong HY26 result with revenue increasing 25% to $194m and operating profit (EBIT) up 23% to $92.8m. Funds Under Administration (FUA) ended the half at $125.6b (+24%) supported by net inflows of $8.2b and a growing advisor base up 7.3% to 4,089. Account numbers increased 13.7% to 172,221, a record 12 month period with over 20,000 new accounts added to the platform.

Netwealth continues to deliver incremental improvements across its product including better client reporting, straight through processing for advisor onboarding and new capabilities across its Managed Account offering. Additionally, Netwealth made progress on expanding its addressable market, announcing the upcoming lunch of Netwealth Private, a whole of wealth offering for private wealth and a Broker solution that can integrate individually held assets within the Netwealth platform.

Management reaffirmed its guidance for the full year, in which it expects FUA net flows not to differ materially from FY25 ($15.8b) and an underlying EBITDA margin of approximately 49%.

Netwealth has a market capitalisation of $6.0b.

Nick Scali (ASX:NCK)

Nick Scali reported HY26 revenue of $269m, an increase of 7% and after tax profit of $41m, up 23%. In ANZ, sales grew 13% to $252m and profits were up 29% to $47m whilst in the UK, sales fell 38.5% to $18m and reported a net loss of $5.6m due to lengthy store closures associated with the refurbishment and rebranding program.

The program is now largely complete with 16 out of the 19 UK stores converted to Nick Scali store design, branding and product range. Performance is improving with gross margins up from 45% to 59% and the four Nick Scali stores open over the last 12 months saw written order sales growth of 32% in January 2026.

For the remainder of FY26, the business expects to open a further 5 stores in ANZ, with additional opportunities under review including in the UK.

Nick Scali has a market capitalisation of $1.5b.

Pro Medicus (ASX:PME)

In HY26, Pro Medicus reported revenue growth of 28% to $125m (90% recurring) and underlying operating profit (EBIT) of $90.7m up 29.7%. The business continued to grow its presence in North America, completing six cloud-based implementations and winning seven new contracts across the region totalling over $280m at minimum values, including its first Cardiology sale. Pro Medicus ended the half with over 10% market share of the radiology market by scan volume.

All implementations remain on or ahead of schedule with Pro Medicus completing large scale projects in less than 20% of industry norms. The company made progress on its ambition to be the single platform for the entire health enterprise by announcing the submission of its new Digital Pathology solution to the U.S. Food and Drug Administration for regulatory approval.

Pro Medicus has a market capitalisation of $13.1b

PWR Holdings (ASX:PWH)

PWR Holdings, the global leader in advanced cooling technologies delivered a strong HY26 result amidst a move to its new factory and headquarters in Brisbane.

Revenue for the period was up 28% to $80.4m, primarily driven by higher volumes across Motorsports and Aerospace & Defence (A&D). EBITDA grew 48% to $16.2m, while NPAT grew 39% to $5.7m (7.1% margin).

Motorsport revenue increased 40% to $44.8m due to new Formula 1 regulations and increased customer update of technical services (simulation, testing and quality assurances), reflecting deeper customer engagement and program complexity. In A&D, revenue grew 31% to $18.2m, supported by increased customer activity and the delivery of ~75% of a U.S. government project announced in January 2025. The announcement of a repeat order from the US government reinforces PWR's execution capability and maturity in this space.

For FY26 the business expects higher volumes to support improved operating leverage and productivity gains, partially offset by one-off costs in relation to the factory move and CEO search process. PWR expects to deliver a *"modest"* NPAT margin improvement against FY25's underlying NPAT margin of 9.5%.

PWR Holdings has a market capitalisation of $981m.

Selector Small Companies Fund

Monthly report – February 2026

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
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

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 Information 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.