Selector Small Companies Fund

Monthly report – July 2026

Market insights

In July, U.S. 30-year Treasury yields pushed through 5.27%, while the 10-year cleared 4.65%, both at their highest levels since 2007. Likewise, Australia's 10-year bond closed the month at 4.94%, its highest since 2011. These term premiums continued to reprice higher independently even as the U.S. Federal Open Market Committee (FOMC) stood pat on rates at 3.50%-3.75% for a fifth straight meeting. The 9-3 vote was the most divided in years, with three FOMC members dissenting in favour of a hike. Chair Warsh reiterated that the 2% inflation target is absolute, extinguishing any read that the last five years of above-target prints as the Fed having recalibrated its tolerance upward. Markets took the meeting commentary as restrictive, with traders now pricing up to two hikes before the end of the year, a sharp reversal from the cutting cycle traders had priced as recently as December 2025.

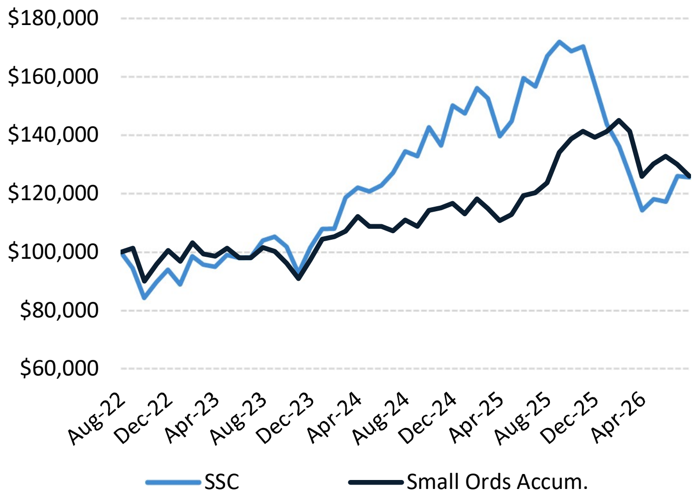
AI infrastructure and hyperscaler earnings were a focus during the month as the U.S. Q2 earnings season kicked off. Microsoft's Azure revenue within its Cloud segment came in at over US$100b, exceeding market expectations and triggering the Nasdaq's best single-day gain since April 2025. The company added nearly US$450b in market capitalisation, a record for the largest single-day gain by an individual company (surpassing Nvidia's previous record of US$441b), closing at US$3.35t. Importantly, while Azure accelerated to its strongest growth in some years, Microsoft delivered this while holding capital expenditure guidance flat – providing the market with evidence that AI spending is converting to revenue. In contrast, Amazon's AWS growth also achieved its fastest growth pace in years, delivering US$149b in AWS (cloud) revenue on a trailing twelve month basis (TTM), yet the company raised its capex guidance by 10% (to US$220b), while TTM free cash flow swung negative as build out continues to outpace conversion. Having been under pressure, semiconductor stocks pared losses as both results appeared to reassure investors that AI infrastructure remains undersupplied rather than overbuilt.

In Australia, attention now shifts to the August reporting season, which will see approximately 70% of the portfolio hand in its financial scorecard for the financial year 2026.

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	9.41
PWR Holdings	PWH	8.58
TechnologyOne	TNE	8.46
Nanosonics	NAN	6.45
Pro Medicus	PME	6.44

Unit prices as at 31 July 2026

Entry price	$1.2078
Mid price	$1.2048
Exit price	$1.2018

Performance as at 31 July 2026[1]

	FYTD	1 Month	3 Month	6 Month	1 Year	2 Year[2]	3 Year[2]	Since Inception[2]
Fund (gross of fees)	(0.35)	(0.35)	6.25	(7.82)	(24.85)	(3.39)	6.49	5.86
Small Ordinaries Accum. Index	(3.17)	(3.17)	(3.18)	(13.20)	1.81	6.56	7.46	5.94
Difference (gross of fees)	2.82	2.82	9.43	5.38	(26.66)	(9.95)	(0.97)	(0.08)

[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.

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Performance contributors

Top five	Contribution (%)
PWR Holdings	1.69
HUB24	0.58
Flight Centre Travel Group	0.48
Catapult Sports	0.36
TechnologyOne	0.35

Bottom five	Contribution (%)
Pro Medicus	(1.66)
Telix Pharmaceuticals	(1.00)
FINEOS Corporation Holdings	(0.49)
Nanosonics	(0.39)
Megaport	(0.34)

Portfolio Commentary

Imricor (ASX:IMR)

Imricor, a developer and manufacturer of the only MRI-compatible products for cardiac ablations, achieved significant milestones during July. The business announced that Rady Children's Hospital San Diego purchased its NorthStar mapping and guidance system, becoming the first commercial U.S. customer. Management highlighted that several other U.S. hospitals are in the final stages of purchasing Northstar following its paediatric regulatory approval earlier in the month.

Importantly, the technology eliminates procedure-related exposure to ionising X-ray radiation, provides superior soft tissue visualisation and delivers per-patient procedural time savings. Commenting on the announcement, Rady's Electrophysiologist Dr Alejandro Borquez said *"What excites me most is what MR guidance lets us see – anatomy, function and flow, in real time. Questions that used to require separate studies on separate days can be answered in a single session, which means fewer anaesthetics for our patients, less disruption for families, and better use of the hospital's resources."*

The announcement follows multiple U.S. Food & Drug Administration (FDA) 510(k) clearances with Imricor completing 14 out of the 15 submissions required to establish its full product platform for commercialisation. Imricor's ablation catheters are seeking initial approval for Atrial Flutter in the U.S.

Imricor has a market capitalisation of $692m.

FINEOS Corporation Holdings (ASX:FCL)

FINEOS delivered its quarterly activity report during the month, reporting a June end cash balance of €39.0m, an increase of €4.1m, or 11%, on the prior comparative period (pcp). Management reaffirmed FY revenue guidance of €147m-€152m.

Insurance provider OneAmerica signed a 10-year license for FINEOS AdminSuite to serve as the strategic core employee benefits platform, quote-to-claim. This long duration contract reinforces FINEOS' position as a leading provider of core employee benefits systems in North America. In New Zealand, long time client Accident Compensation Corporation (ACC) migrated its core claims, payments and provider management functions to the FINEOS cloud platform. The government organisation handles 2m claims from 1.6m New Zealanders annually, to provide $7.0b in compensation, rehabilitation and treatment.

FINEOS Corporation Holdings has a market capitalisation of $647m.

Netwealth (ASX:NWL)

During July, Netwealth announced that it has expanded its existing advisor platform relationship with Morgan Stanley Wealth Management Australia to provide a platform solution for ASX listed and domestic investments. The announcement reflects Netwealth's multi-year investment in expanding its platform functionality and marks its expansion into the stockbroking and private wealth market, which has a market opportunity of ~$600b.

The company also provided a 4Q26 update reporting total FUA of $135.7b (+20%), supported by $3.2b of net flows and $6.7b in positive market movements. Total number of accounts increased 3.2% to 182,276 during the quarter. For FY26 net flows totalled $15.4b, with management guiding to FY27 net flows of $18b-$20b.

Netwealth has a market capitalisation of $5.7b.

Telix Pharmaceuticals (ASX:TLX)

Telix provided its second quarter 2026 update, reporting revenue of US$247m, up 21% on the pcp or 7% Quarter on Quarter (QoQ). Precision medicine revenue grew 30% to US$202m (9% QoQ), driven by continued and growing demand volume (+7% QoQ) for PSMA imaging portfolio products Illucix and Gozellix.

Telix continues to progress its therapeutics pipeline, including U.S. FDA confirming sufficient safety data from part one of the company's pivotal Prostate cancer trial. Patient enrolment is also nearing completion in the BiPASS study of Illucix and Gozellix with MRI for initial prostate cancer diagnosis in the pre-biopsy setting.

Guiding to the remainder of FY26, management expects revenue to be in excess of US$1.0b, at the upper end of its guided range of US$950m-US$970m, plus a $40m one-off non-refundable revenue item resulting from the business' partnership with Regeneron (REGN:NAS). Management increased its expected range for FY26 Research & Development (R&D) investment of US$230m-US$270m, subject to achieving ongoing clinical data outcomes and development milestones.

Telix Pharmaceuticals has a market capitalisation of $4.8b.

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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.

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