Selector Australian Equities Fund

Monthly report – August 2026

Market insights

Mid-August marked a milestone for global capital markets, as U.S. national debt crossed US$40 trillion (A$56 trillion), representing ~123% of U.S. GDP. Onshore, Australian national debt ticked over A$1 trillion, a milder 34% of national GDP. The data is a reminder of the challenges presented by growing government debts and deficits.

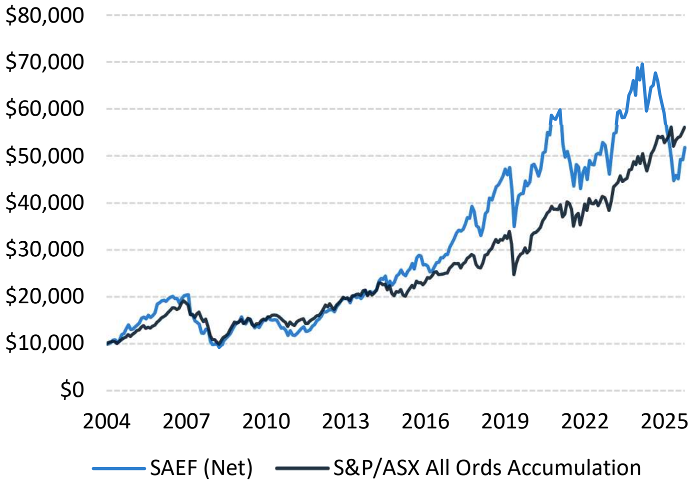
In the U.S., Treasury Secretary Scott Bessent stepped in, moving to increase "by at least double" (US$4b+), the size of liquidity support buybacks for long-dated US government bonds (10 year to 30 year). We highlighted in last month's writing the historic highs that long-dated U.S. bonds had climbed to. The Treasury Secretary's liquidity announcement served as an attempt to force yields lower, which would in turn bring down borrowing costs for the U.S., a country which now spends more on servicing debt annually (~US$1t) than it does on its defence force. It is worth noting briefly the mechanics of the buy back – treasury does not have spare cash sitting around to buy the long-dated issues back and funds the buy back by issuing more short-dated bills. The net effect (retire long bonds, issue short bills) is a reduction of the weighted average maturity of debt stock, and lower near-term interest expenses. The initial market response to the announcements saw yields drop across the long end of the curve, while equities rose, however, by the end of August this had been given back among concerns the move looked desperate on the White House's part. All of the above has resulted in U.S. dollar debasement, with the currency tracking towards one of its weakest annual performances in decades. With debt past US$40t, deficits stuck near US$2t, and Treasury attempting to supress yields rather than genuine demand, the month's events saw U.S capital rotating out of the dollar and into real and alternative assets such as gold and Bitcoin as a hedge against the weakening currency.

In Australia, August saw most of the portfolio report a full or interim half year result. Many of the companies held delivered stand out results with 81% of the portfolio reporting increased operating profits, and 74% increasing earnings per share.

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	7.82
James Hardie Industries	JHX	6.58
Aristocrat Leisure	ALL	6.48
Pro Medicus	PME	5.77
Resmed	RMD	5.71
CAR Group	CAR	5.67
Breville Group	BRG	5.53
FINEOS Corporation Holdings	FCL	5.49
Cochlear	COH	5.47
Reece Limited	REH	5.27

Unit prices as at 31 August 2026

Entry price	$2.6128
Mid price	$2.6063
Exit price	$2.5998

Performance as at 31 August 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)	5.46	15.07	5.64	(20.64)	0.73	(1.37)	7.67	12.32	8.64	10.43
Fund (net of fees)	5.38	14.81	5.13	(21.41)	(0.28)	(2.44)	6.00	9.72	6.03	7.87
All Ords Accum. Index	1.90	4.00	(0.11)	3.49	10.92	7.40	9.33	9.39	7.28	8.25
Difference (net of fees)	3.48	10.81	5.24	(24.90)	(11.20)	(9.84)	(3.33)	0.33	(1.25)	(0.38)

[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

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Performance contributors

Top five	Contribution (%)
CSL	0.80
James Hardie Industries	0.72
Resmed	0.58
Pro Medicus	0.57
Cochlear	0.55

Bottom five	Contribution (%)
Nanosonics	(0.51)
Aristocrat Leisure	(0.30)
Flight Centre Travel Group	(0.16)
ARB Corporation	(0.10)
Breville Group	(0.05)

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.

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