

Selector Australian Equities Fund

Monthly report – September 2026

selector

Market insights

September delivered the bond market's reckoning, with global yields repricing to levels not seen in decades, significantly compressing equity valuations. The U.S. 10-year Treasury yield touched an intraday high of 5.29% late in the month, up from below 4.80% only weeks earlier, while the 30-year reached 5.62%, and closed out the month at its highest level since 2002. The imbalance between bond demand and supply is further impacting yields. As yields rise, the impact on borrowers and governments who are funding growing deficits are faced with an ever-increasing interest bill. Addressing the G20 summit during the month, U.S. Treasury Secretary, Scott Bessent, put it *"the world is awash in debt. The only way for us to get out of this is to grow our way out of it."*

While the story in August was debt driven, the catalyst in September was inflation, the moves driven by persistently high energy prices resulting from the war in Iran, alongside a tightening of the U.S. Federal funds rate (+25 bps) to 3.75%-4.00%. Likewise, the RBA delivered a largely anticipated fourth hike for the year in the backend of the month, lifting rates by 25 bps to 4.60%. The hike marks Australia's highest rate since 2011 and places the country as having the second highest interest rates in the developed world (behind Iceland).

Over the past two weeks we travelled through the U.S., and in doing so, either directly or indirectly, covered some 60% of our portfolio of businesses. Bond yields, AI, wars, can easily distract from what is happening on the ground. The business environment has its challenges, but the majority are in good shape, many have net cash balance sheets and are leaders in their respective field. Our attendance at investor days held by James Hardie, Telix Pharmaceuticals also dovetailed with site visits to Breville, Computershare, Flight Centre, Nanosonics, Pro Medicus and Resmed, to name just a few. Confidence is also reflected in the many share buybacks now under way, funded by net cash balance sheets. It is easy to lose sight of business progress when the news dial would suggest otherwise. We do not suggest things are easy but investors should focus on the signal and not the noise, as our upcoming quarterly newsletter will aim to illustrate.

We continue to seek businesses with:

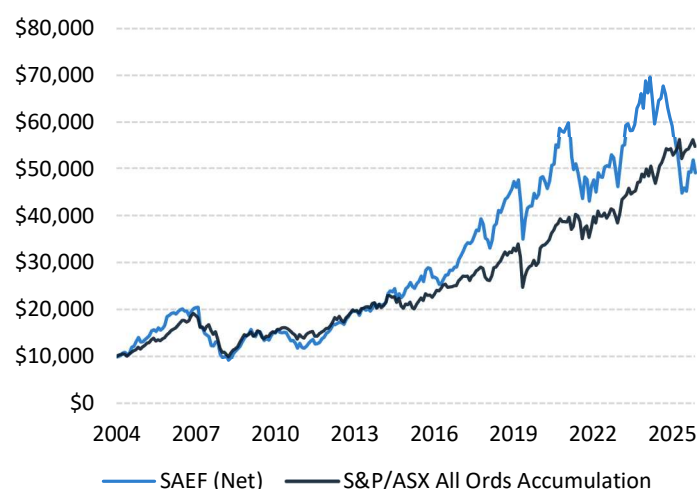
1. Competent management teams
2. Business leadership qualities
3. Strong balance sheets
4. A focus on capital management

Performance as at 30 September 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)	(5.22)	(0.20)	10.17	(21.30)	0.62	(2.25)	7.16	12.52	8.14	10.12
Fund (net of fees)	(5.30)	(0.46)	9.64	(22.08)	(0.38)	(3.29)	5.51	9.95	5.54	7.57
All Ords Accum. Index	(2.51)	1.01	5.05	1.43	11.04	7.20	9.01	9.68	7.07	8.10
Difference (net of fees)	(2.79)	(1.47)	4.59	(23.51)	(11.42)	(10.49)	(3.50)	0.27	(1.53)	(0.53)

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.

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	7.36
Aristocrat Leisure	ALL	6.71
James Hardie Industries	JHX	6.34
Cochlear	COH	6.29
Resmed	RMD	5.86
FINEOS Corporation Holdings	FCL	5.63
Reece	REH	5.63
Pro Medicus	PME	5.58
Breville Group	BRG	5.46
Nanosonics	NAN	5.07

Unit prices as at 30 September 2026

Entry price	\$2.4743
Mid price	\$2.4681
Exit price	\$2.4619

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Performance contributors

Top five	Contribution (%)
Nanosonics	0.31
Cochlear	0.28
CSL	0.27
Fisher & Paykel Healthcare	0.15
Reliance Worldwide Corporation	0.11

Bottom five	Contribution (%)
CAR Group	(1.01)
James Hardie Industries	(0.87)
TechnologyOne	(0.86)
WiseTech Global	(0.76)
SEEK	(0.52)

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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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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