



# Australian Eagle Asset Management

March 2025 Monthly Report - Australian Eagle Long-Only Equity

## Portfolio performance

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	7 Year	10 Year	Inception p.a.
Portfolio*	-3.17%	-3.08%	-2.42%	1.36%	6.59%	15.70%	11.72%	12.12%	11.46%
Benchmark**	-3.30%	-2.95%	-3.71%	3.11%	6.08%	13.62%	9.08%	7.30%	7.90%
Out/(under) performance	0.14%	-0.13%	1.29%	-1.76%	0.51%	2.08%	2.63%	4.82%	3.56%

### Top 3 and Bottom 3 Performing Stocks

**Top 3:** QBE Insurance Group Ltd (QBE), Evolution Mining Ltd (EVN), Telix Pharmaceuticals Ltd (TLX)

**Bottom 3:** Pilbara Minerals Ltd (PLS), Xero Ltd (XRO), ARB Corporation Ltd (ARB)

### Portfolio changes

#### Stocks joined or increased:

Aristocrat Leisure Ltd (+1.00%): An online and offline gambling company. Management have focused on improving the quality of earnings by emphasising recurring earnings from regulated businesses.

Judo Capital Holdings Ltd (+0.25%): A specialist SME lender. The challenger bank has continued to demonstrate disciplined loan growth as well as a superior net interest margin to the big 4 banks.

#### Stocks removed or reduced:

Treasury Wine Estates Ltd (-0.75%): A multinational wine producer and distributor. The company's medium term outlook is increasingly uncertain after management decided to retain its commercial wine portfolio.

National Australia Bank Ltd (-0.25%): A big 4 Australian bank. The company's credit impairment charges have grown with early signs of deterioration while net interest margins remain under pressure.

### Market Commentary

Global equities endured volatility as geopolitical and trade tensions re-emerged. President Trump announced tariffs on Canada, Mexico and China, prompting swift retaliatory actions and sparking recession fears. The Federal Reserve maintained its guidance for two rate cuts in 2025, citing elevated policy uncertainty. German bond yields rose sharply following Germany's EUR500bn infrastructure and defence package. Chinese inflation weakened further with consumer prices falling the most in over a year while producer prices declined for the 29th consecutive month. A fresh round of Chinese stimulus was announced, targeting household consumption and the property sector but jobless rates still rose to two-year highs. Oil prices edged higher to US\$71/bbl on tightening US supply. Iron ore prices fell slightly to US\$101/t despite Chinese steel production cuts. The AUD remained flat at US62c.

The Australian market fell, driven by weakness in resources and uncertainty over interest rate policy. CPI slowed to 2.4%, modestly below expectations. Sentiment was weighed down by warnings from the US that Australia would not be granted exemptions from aluminium and steel tariffs.

Rio Tinto completed its highly anticipated takeover of Arcadium Lithium. The FDA approved Telix's new and complementary prostate cancer imaging drug, Gozellix. Wesfarmers announced moves into the auto sector with Bunnings expanding its product offering to include car shareables. Judo Capital's two large shareholders pre-IPO sold a combined 9.8% stake during the month. The ACCC ended its 12mth inquiry of the big Australian supermarkets, failing to find evidence that Woolworths and Coles engaged in price gouging. The RBA and ASIC both expressed concern that ASX is not complying with important standards that are meant to prevent system failures. Woodside divested some assets in Trinidad and Tobago for \$206m to Perenco. Fortescue's green energy division dissolved its partnership with US hydrogen company Plug Power due to a reevaluation of project timelines attributable to the election of Donald Trump. Treasury Wine Estates completed its acquisition of 75% of Ningxia Stone & Moon Winery.

Major relative portfolio exposures were medical devices and technology stocks with less portfolio weight in major banks and property.

### Australian Eagle Portfolio: Top Ten Holdings

Stock	31/03/2025
Commonwealth Bank Ltd	8.25%
QBE Insurance Group Ltd	6.00%
Cochlear Ltd	6.00%
Rio Tinto Ltd	5.75%
Macquarie Group Ltd	5.00%
Xero Ltd	5.00%
ASX Ltd	5.00%
ResMed Inc	4.25%
Wesfarmers Ltd	4.00%
CSL Ltd	3.75%

\*\*Benchmark is S&P/ASX100 Accumulation Index

\*Performance figures exclude Australian Eagle's fees. Australian Eagle portfolio inception date is 7th February 2005.

### Portfolio Commentary

#### Positives:

QBE - The share price outperformed as bond yields remain relatively elevated.

EVN - The share price rose after the gold price reset new record highs.

TLX - The share price rose after the FDA approved its 2nd prostate cancer imaging drug Gozellix.

#### Negatives:

PLS - The share price fell with the lithium price.

XRO - The share price fell along with large US technology companies.

ARB - The share price fell after new car sales in Australia fell for the 9th consecutive month.

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