



Australian Eagle Asset Management

May 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*	3.74%	3.51%	1.12%	9.87%	10.12%	13.24%	11.81%	12.83%	11.73%
Benchmark**	4.01%	4.41%	1.57%	13.58%	9.91%	12.68%	9.55%	8.31%	8.24%
Out/(under) performance	-0.27%	-0.91%	-0.45%	-3.71%	0.22%	0.57%	2.27%	4.52%	3.48%

Top 3 and Bottom 3 Performing Stocks

Top 3: TechnologyOne Ltd (TNE), Xero Ltd (XRO), Macquarie Group Ltd (MQG)

Bottom 3: Pilbara Minerals Ltd (PLS), Dexus Ltd (DXS), Rio Tinto Ltd (RIO)

Portfolio changes

Stocks joined or increased:

Life360 Inc. (+1.75%): A global safety and tracking platform. The company's expanding user base has driven operating leverage while optionality in international markets and advertising have started to be realised.

Aristocrat Leisure Ltd (+1.00%): A global gaming technology company. Market share gains in land-based gaming in North America as well as growth in digital gaming have laid a platform for future organic growth.

Stocks removed or reduced:

Judo Capital Holdings Ltd (-1.00%, Exit): A domestic SME lender. Slowing loan growth and deteriorating credit quality have shortened our investment timeline.

Treasury Wine Estates Ltd (-1.00%, Exit): A multinational luxury wine company. Ongoing indecision around the sale of commercial wine assets and heightened uncertainty with management turnover have accelerated our exit timeframe.

Market Commentary

Global markets continued to recover as key developments centred around ongoing tariff uncertainty, monetary policy actions and geopolitical manoeuvring. A US Federal court ruling questioned the legality of Trump's tariffs pending an appeal. The US and China agreed to a 90 day temporary reduction in reciprocal tariffs and signalled a willingness to re-engage in trade talks. US-EU tariffs were also deferred till July as Trump started to target specific sectors like pharmaceuticals, steel and technology. US bond yields rose over 20bps across almost all maturities as escalating fiscal deficits and a downgrade of its credit rating both contributed. China's manufacturing sector showed signs of stabilisation despite ongoing trade tensions and subdued global demand. The oil price rose US\$5 to US\$62/bbl on easing US-China trade tensions. The iron ore price ended the month US\$1 higher to US\$96/t on resilient steel production. The Australian dollar remained flat at US64c. The Australian market followed world markets higher, led by energy and technology stocks. The RBA cut rates by 25bps to 3.85% on a softer growth outlook. Severe flooding in NSW during the month contributed to an estimated \$2.2bn economic loss through retail trade and household spending.

May featured a busy reporting season across banks, agriculture and tech stocks, alongside quarterly updates and confessionals at the Macquarie conference. The big banks generally reported modest growth and net interest margin pressure from competition. QBE's quarterly update showed premium growth reaccelerating while catastrophe costs remained relatively low. Aristocrat Leisure delivered growth, stemming from market expansion in digital gaming as well as land based assets. Xero continued to maintain a balanced growth profile, achieving the Rule of 40 for the 3rd consecutive result. Treasury Wine Estates announced a new CEO to start towards the end of 2025. Dexus came under pressure after being sued by the APAC board for allegedly breaching confidentiality obligations. Web Travel Group rectified internal problems and reported stabilising TTV margins. Life360 Inc's strong user and profit metrics were driven by subscription growth and expanding user engagement.

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	31/05/2025
Commonwealth Bank Ltd	8.75%
QBE Insurance Group Ltd	6.00%
Cochlear Ltd	6.00%
Rio Tinto Ltd	5.75%
ASX Ltd	5.00%
CSL Ltd	5.00%
Macquarie Group Ltd	4.75%
TechnologyOne Ltd	4.00%
Wesfarmers Ltd	4.00%
Xero Ltd	3.50%

Portfolio Commentary

Positives:

TNE - The company's growth accelerated, driven by its SaaS+ platform and UK expansion.

XRO - The share price rose after profits grew while still controlling expenses.

MQG - The share price rose after revealing a solid FY25 result.

Negatives:

PLS - The share price fell with the lithium price.

DXS - The company became a defendant of a lawsuit pertaining to confidentiality breaches.

RIO - The share price fell after the CEO resigned and the company revealed a lawsuit with the Mongolian government.

**Benchmark is S&P/ASX100 Accumulation Index

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

Disclaimer: This communication is issued by Australian Eagle Asset Management Pty Ltd ABN 89 629 484 840 Corporate Authorised Representative of Alleron Investment Management Pty Ltd AFSL 278856 Suite 301, Level 3, 161 Walker Street, North Sydney NSW 2060. This information does not constitute a recommendation, offer or solicitation to buy or sell any securities. It reflects Australian Eagle's Model Portfolio at the end of the month stated and Australian Eagle's views at the date of preparation. Both the Model Portfolio and Australian Eagle's views are subject to change without notice. Past performance figures are no guarantee of future returns. Date of preparation: 05 June 2025.