



Australian Eagle Asset Management

August 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*	0.93%	5.15%	8.83%	13.44%	11.69%	12.59%	11.79%	14.60%	11.85%
Benchmark**	2.55%	6.56%	11.26%	13.94%	13.16%	12.77%	9.56%	9.99%	8.47%
Out/(under) performance	-1.61%	-1.41%	-2.43%	-0.50%	-1.48%	-0.18%	2.23%	4.60%	3.37%

Top 3 and Bottom 3 Performing Stocks

Top 3: Evolution Mining Ltd (EVN), Pilbara Minerals Ltd (PLS), Life360 Inc (360)

Bottom 3: CSL Ltd (CSL), Telix Pharmaceuticals Ltd (TLX), ASX Ltd (ASX)

Market Commentary

Global equity markets rose in August, driven by tech stocks resetting record highs on renewed rate cut expectations and solid corporate earnings. The Fed president's Jackson hole speech was cautiously dovish, citing concerns around employment, inflation and tariffs. Trade tensions continued to rise after Trump proposed a 15% tariff on AI chip exports to China as well as 150-200% tariff on pharmaceuticals. Trump also threatened 50% tariffs on India for continuing to buy Russian oil. The BoE cut interest rates to 4% on weakening employment data. China announced fresh support for its property and industrial sectors with broader home buying and state-led demand creation to fight deflation and overcapacity. Copper prices rose 2.3% to US\$4.51/lb after a fatal mine tunnel collapse in Chile. The spodumene price rose 17% to US\$894/t after a large Chinese mine was halted for 3 months after a permit expiry and Albermarle suspended production due to a safety incident. The iron ore price continued its rebound, up US\$4 to US\$104/t on news of China stimulus. Australian equities followed world markets higher, led by an improving outlook for resources companies. The RBA cut interest rates by 25bps to 3.60% and flagged difficulties of businesses to pass through cost increases due to weak consumer demand. Unemployment fell 0.1% to 4.2%.

Reporting season proved to be volatile with any misses severely punished by the market. ResMed's gross margins returned to 60% while management utilised strong cashflow to acquire VirtuOx and repay debt. Life360 announced a transition to a new CEO while upgrading its FY25 guidance. Commonwealth Bank reported growth in business banking while increasing investment in AI and cybersecurity. Evolution Mining reported continued production growth with all assets contributing strongly. Fortescue reported record production but also doubled down on its decarbonisation ambitions with heavy capex plans. ASX guided for higher FY26 expenses due to an ASIC inquiry into the company's governance and risk management practices. Cochlear launched its first smart implant and is expanding its reach in the adult and senior markets. Transurban's North American assets experienced strong growth while management signaled the imminent completion of the West Gate Tunnel in Melbourne. Woolworths reported lower profits driven by industrial action, supply chain transformation and cost inflation. Major relative portfolio exposures were to medical devices and technology stocks with less portfolio weight in major banks and telecoms.

Portfolio changes

Stocks joined or increased:

Brambles Ltd (+2.00%, Entry): A global logistics company specialising in reusable pallet solutions. The company's fundamental transformation and margin expansion have laid a strong foundation for future organic growth.

Iluka Resources Ltd (+1.00%): A mineral sands and rare earths miner. The improving quality of the company's strategic assets continue to be mispriced by the market.

Stocks removed or reduced:

Santos Ltd (-1.00%, Exit): A low cost oil and gas producer. The company's share price is approaching the takeover bid price from XRG consortium.

Infratil Ltd (-1.50%): A diversified global infrastructure investment company. The share price is approaching our valuation target.

Australian Eagle Portfolio: Top Ten Holdings

Stock	31/08/2025
Commonwealth Bank Ltd	6.75%
Cochlear Ltd	6.00%
Rio Tinto Ltd	6.00%
QBE Insurance Group Ltd	5.50%
Macquarie Group Ltd	4.50%
ASX Ltd	4.25%
Woodside Energy Ltd	4.25%
Life360 Inc.	4.00%
CSL Ltd	3.75%
Evolution Mining Ltd	3.75%

Portfolio Commentary

Positives:

EVN - The share price outperformed after reporting a strong FY25 result.

PLS - The share price rose with the spodumene price.

360 - The share price rose after reporting increased traction with its advertising business.

Negatives:

CSL - The share price fell after announcing the spin off of its vaccines business.

TLX - The company announced the delay of its new kidney cancer imaging agent.

ASX - The share price fell after giving guidance for higher-than-expected costs in FY26.

**Benchmark is S&P/ASX100 Accumulation Index

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

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