



Australian Eagle Asset Management

October 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*	2.52%	3.62%	11.98%	14.13%	12.87%	13.15%	13.82%	14.44%	11.89%
Benchmark**	0.23%	1.59%	9.80%	11.48%	12.85%	12.94%	10.55%	9.79%	8.35%
Out/(under) performance	2.29%	2.03%	2.18%	2.65%	0.01%	0.21%	3.27%	4.65%	3.53%

Top 3 and Bottom 3 Performing Stocks

Top 3: SILEX Systems Ltd (SLX), Pilbara Minerals Ltd (PLS), Rio Tinto Ltd (RIO)

Bottom 3: CSL Ltd (CSL), Aristocrat Leisure Ltd (ALL), Life360 Inc (360)

Market Commentary

Global equity markets continued their volatile upward trajectory as AI-related stocks shrugged off macro headwinds to drive indices higher. The US Federal Reserve cut interest rates 25bps to 3.75-4.00% range but adopted a cautious tone, citing the need for confirmatory data for further cuts. An escalation in US-China tensions threatened to boil over as China tightened rare earths export controls while the US retaliated with threats of 100% tariffs on Chinese goods but subsequent negotiations tempered these aggressive measures. The ECB held rates steady at 2.15%, citing the current strength and stability of the EU economy. The gold price experienced volatility, resetting record highs to over US\$4,300/oz before ending the month at US\$4,000/oz on continued geopolitical US-China tensions and central bank buying. The spodumene price rose 10% to US\$944/t on renewed demand for battery energy storage systems. The iron ore price rose 2% to US\$106/t on rumours of Chinese steel mills being ordered to halt purchases of certain BHP iron ore products.

Australian equities posted modest gains, with rises in materials and energy offset by technology and healthcare. Inflation and unemployment both surprised on the upside with September quarter CPI rising 1.0%, quashing hopes of any near term RBA rate cuts. Australia and the US signed a landmark A\$13bn critical minerals agreement.

Web Travel Group reiterated guidance for record FY25 EBITDA. Fortescue upsized its early debt repayment from US\$600m to US\$750m. Transurban reaffirmed its FY26 distribution guidance of 69cps as Melbourne and North America recorded strong traffic growth. TechnologyOne released a new agentic AI called PLUS, compatible across all modules. Rio Tinto placed its Borates, Canadian Iron & Titanium divisions under review as focus returns to growth projects in iron ore, lithium and copper. Evolution Mining reiterated FY26 production guidance with strong quarterly contributions from all mines. Macquarie Group sold its stake in Aligned Data Centres to a consortium for US\$40bn. SILEX Systems announced the achievement of TRL-6 after passing independent testing at its demonstration plant. Iluka Resources withdrew mineral sands guidance due to customer contract uncertainty stemming from ownership changes. Woodside Energy upgraded FY25 production guidance after a strong quarter while its growth projects remain on schedule and on budget. CSL downgraded FY26 guidance due to higher costs in China affecting Albumin demand and weak flu vaccine demand.

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:

Aristocrat Leisure Ltd (+1.00%): A multinational digital and gaming machine company. The company has increased focus on recurring revenues while the digital gaming division continues to grow strongly.

Brambles Ltd (+1.00%): A global logistics company specialising in reusable pallet solutions. The company's turnaround has reduced costs and capex, significantly increasing margins and returns to shareholders.

Stocks removed or reduced:

CSL Ltd (-0.50%): A diversified multinational healthcare company. The company's turnaround strategy has encountered headwinds, delaying the proposed demerger of its vaccines division.

Transurban Group Ltd (-0.50%): A multinational toll road company. The share price is approaching our valuation target.

Australian Eagle Portfolio: Top Ten Holdings

Stock	31/10/2025
Commonwealth Bank Ltd	6.75%
Cochlear Ltd	6.00%
Rio Tinto Ltd	6.00%
QBE Insurance Group Ltd	6.00%
Woodside Energy Ltd	5.00%
Macquarie Group Ltd	4.00%
ASX Ltd	4.00%
Life360 Inc.	4.00%
Aristocrat Leisure Ltd	4.00%
Brambles Ltd	4.00%

Portfolio Commentary

Positives:

SLX - The share price rose after passing independent testing for its third generation uranium enrichment technology.

PLS - The share price rose after releasing a strong quarterly report.

RIO - The share price rose as copper production continued to ramp up as planned in Oyu Tolgoi.

Negatives:

CSL - The share price fell after downgrading FY26 earnings.

ALL - The share price fell due to soft US consumer data in the lead up to its FY25 result.

360 - The share price fell after a period of outperformance.

**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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