



Australian Eagle Asset Management

December 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*	-1.28%	-2.10%	2.16%	6.80%	9.70%	10.08%	13.14%	13.69%	11.50%
Benchmark**	1.36%	-1.24%	2.49%	9.00%	11.12%	10.19%	10.66%	9.42%	8.21%
Out/(under) performance	-2.64%	-0.86%	-0.33%	-2.20%	-1.42%	-0.11%	2.49%	4.27%	3.30%

Top 3 and Bottom 3 Performing Stocks

Top 3: Rio Tinto Ltd (RIO), Evolution Mining Ltd (EVN), QBE Insurance Group Ltd (QBE)

Bottom 3: Life360 Inc (360), ASX Ltd (ASX), Cochlear Ltd (COH)

Portfolio changes

Stocks joined or increased:

Calix Ltd (+0.25%, Entry): An environmental decarbonisation technology company. The company has started to generate business momentum in both new customers and revenue generation.

CSL Ltd (+1.00%): A diversified rare diseases and vaccine company. Despite external headwinds and strategy refresh, management has maintained forecasts of mid single digit earnings growth.

Stocks removed or reduced:

Telix Pharmaceuticals Ltd (-0.50%, Exit): A multinational cancer diagnostics and therapeutics company. The share price has reached our valuation target.

ResMed Inc (-1.00%): A sleep apnea and out-of-hospital healthcare provider. The company's gross margins have returned to previous peak levels, limiting further short term upside potential.

Market Commentary

Global equity markets ended the year relatively flat as investors weighed easing inflationary pressures against ongoing geopolitical tensions and persistent economic uncertainty. The US Federal Reserve cut interest rates by 25bps to 3.5-3.75%, while signalling only one potential cut later in 2026. US factory activity contracted again and job openings rose but were offset by signs of a cooling labour market. China's economic challenges persisted with industrial production and retail sales hitting 15-month lows and fixed asset investment falling 2.6% YTD, underscoring subdued domestic demand despite multiple consumer subsidy programs. The ECB held rates unchanged for the 4th straight month while the BoE cut rates by 25bps to 3.75%, the lowest rate since 2022. Japan's 25 trillion yen fiscal stimulus aimed to restart growth but were overshadowed by concerns over yen depreciation and long-term debt sustainability. Commodities rallied strongly with gold, silver and copper all reaching all-time highs intra-month. The AUD also reached a 14mth high of US67c. Australian equities outperformed global peers in December, powered by strong gains from the major miners and big banks, which offset weakness in technology and healthcare stocks. Unemployment remained steady at 4.3% but suffered from higher underemployment and a shrinking labour force. The RBA left rates unchanged at 3.6% but signalled a potential hike in 2026 depending on further data.

ASX announced that ASIC imposed an additional capital charge of \$150m above net tangible assets by 2027 until certain milestones are reached as part of the transformation strategy. Management also reduced the dividend payout ratio policy by 10% to 75-85% of underlying profit. A class action had been filed against Woolworths alleging underpayments to South Australian team members while the ACCC has continued to warn the big supermarkets about price gouging. Rio Tinto reiterated its commitment to its 3 main large scale growth projects - Simandou, Oyu Tolgoi and Rincon while announcing cost cuts and lower future capital expenditure commitments. Transurban revealed the official opening of its West Gate Tunnel Project in Melbourne, giving greater freight access to the Port of Melbourne. Woodside Energy CEO Meg O'Neill resigned after accepting an appointment as CEO of BP on 1st April 2026. Wesfarmers has placed 54 Priceline pharmacies into receivership as it looks to streamline its health division. Macquarie Group was fined \$35m for misreporting short sales due to system and process failures. Life360 Inc presented the synergistic benefits of their Nativo acquisition as management looks to turbo-charge its advertising division.

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

Australian Eagle Portfolio: Top Ten Holdings

Stock	31/12/2025
Commonwealth Bank Ltd	6.25%
Cochlear Ltd	6.00%
Rio Tinto Ltd	6.00%
QBE Insurance Group Ltd	6.00%
Woodside Energy Ltd	5.50%
Aristocrat Leisure Ltd	5.00%
Brambles Ltd	4.50%
CSL Ltd	4.50%
Evolution Mining Ltd	4.25%
Macquarie Group Ltd	4.00%

Portfolio Commentary

Positives:

RIO - The share price followed the copper price higher.

EVN - The share price rose with the gold and copper prices.

QBE - The share price stabilised after a period of underperformance.

Negatives:

360 - The share price continued to fall after reporting slowing user growth in November.

ASX - The share price fell after revealing higher one-off costs related to an ASIC inquiry.

COH - The share price sold off with other longer dated earnings stocks.

**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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