



# Australian Eagle Asset Management

February 2026 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*	1.86%	0.34%	-0.34%	8.46%	9.30%	10.29%	11.88%	14.43%	11.53%
Benchmark**	4.76%	7.86%	3.88%	15.57%	12.08%	11.15%	10.16%	10.95%	8.46%
Out/(under) performance	-2.89%	-7.52%	-4.22%	-7.12%	-2.78%	-0.87%	1.72%	3.48%	3.07%

### Top 3 and Bottom 3 Performing Stocks

Top 3: PLS Ltd (PLS), Woodside Energy Ltd (WDS), QBE Insurance Group Ltd (QBE)

Bottom 3: Cochlear Ltd (COH), CSL Ltd (CSL), Web Travel Group Ltd (WEB)

### Portfolio changes

#### Stocks joined or increased:

**Fortescue Ltd (+1.00%, Entry):** An Australian iron ore and clean energy company. The iron ore division has strengthened materially with enhanced resilience relative to prior cycles.

**Woolworths Ltd (+0.50%):** An Australian supermarkets and liquor retailer. The company's turnaround plan is starting to show early signs of return to strong organic growth.

#### Stocks removed or reduced:

**Cochlear Ltd (-1.00%):** A multinational leader in implantable hearing solutions. The delay of the some contract renewals and a new product launch has pushed back the timing of certain milestones.

**Web Travel Group Ltd (-0.75%):** A global wholesale B2B digital travel platform provider. A tax audit of the Spanish division has increased uncertainty over near term earnings.

### Market Commentary

Global equity markets were mixed in February, with volatility rising as investors digested conflicting economic signals, AI disruption fears and ongoing trade tensions. US job cuts surged to their highest January level since 2009 in part driven by increased AI utilisation. Trade uncertainty intensified after the US Supreme Court ruled Trump's tariffs illegal, prompting an increased baseline tariff to 15%. China's trade surplus continued to widen with exports growing 6.4% despite US tariffs. Chinese New Year was extended from its normal 7 day holiday to 9 days in a bid to increase domestic Chinese consumption. The BoE and ECB both held interest rates steady at 3.75% and 2% respectively with consistent commentary regarding recent inflation data. Commodity prices were volatile as gold and silver remained elevated near record highs on geopolitical uncertainty, lithium surged after Zimbabwe suspended exports and iron ore rose leading up to Chinese New Year before finishing the month 5% lower at US\$99/ft. The oil price fluctuated on the newsflow of the US-Iran nuclear talks but ended up 3% at US\$67/bbl. Australian equities outperformed global peers, supported by strong reporting season outcomes from banks and resources. Inflation remained elevated at 3.8% following the removal of electricity subsidies while real wages declined for the first time since September 2023. Unemployment was flat at 4.1% but this remains uncertain as SaaS companies announced mass layoffs during the month.

The February reporting season proved to be another month dominated by outsized reactions to half year and annual reports. CSL's CEO resigned the day before the interim result featuring lower than expected growth rates, a \$500-550m cost savings program and a larger US\$750m buyback. Evolution Mining benefited from record high gold prices, driving increased cashflow and dividends. ASX announced double digit revenue growth while also commencing the search for a new CEO. BHP's result showcased copper as the dominant earnings contributor for the first time, driven by record high copper prices and strong operational performance. Dexus reported the 2nd consecutive half of positive office valuations while also announcing a 10% share buyback. PLS announced the restart of its Ngungaju processing plant in July 2026 as lithium prices recover to sustainable levels. Wesfarmers highlighted the ongoing ramp up of its Covalent Lithium JV while its efforts to turnaround the Health division are starting to show progress. Brambles revealed strong operating leverage with its Serialisation+ program showing traction with new and existing customers. QBE reported mid-single digit premium growth and low combined operating ratio resulting in strong profitability and an increased dividend payout.

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	28/02/2026
Commonwealth Bank Ltd	6.75%
Woodside Energy Ltd	6.00%
QBE Insurance Group Ltd	6.00%
Rio Tinto Ltd	5.50%
Brambles Ltd	5.00%
Cochlear Ltd	5.00%
Aristocrat Leisure Ltd	4.75%
Evolution Mining Ltd	4.75%
BHP Group Ltd	4.50%
PLS Ltd	4.25%

### Portfolio Commentary

#### Positives:

PLS - The share price followed the lithium price higher.

WDS - The share price rose after announcing record annual production.

QBE - The share price rose after reporting a strong uplift in dividend.

#### Negatives:

COH - The share price continued to fall after downgrading FY26 guidance.

CSL - The share price fell after reporting \$1.1bn in asset impairments for Vifor and Seqirus.

WEB - The share price sold off as the company's Spanish division was placed under tax audit.

\*\*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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