

Australian Eagle Trust

Quarterly investment report



March 2026

Fund overview

The Australian Eagle Trust aims to provide capital growth in the long term through leveraged investment in Australian securities. The Fund actively invests in a portfolio of 25-35 high-quality companies for the portfolio's 'long' positions (150%) and 12-25 for 'short' positions (50%).

Fund facts

Investment manager:	Australian Eagle Asset Management Pty Ltd	Min. initial investment:	\$20,000
Objective:	To outperform the S&P/ASX 100 Accumulation Index over a five-year period.	Management fee:	1.23% p.a. (inclusive of GST net of RITC)
Benchmark:	S&P/ASX 100 Accumulation Index	Performance fee:	20.5% (inclusive of GST) of excess performance above benchmark with outperformance high watermark (accrued daily, paid quarterly)
Portfolio managers:	Sean Sequeira, Alan Kwan	Recoverable Expenses:	0.1568% p.a. (inclusive of GST)
Investment timeframe:	5 years recommended	Distributions:	Annual
Inception:	1 July 2016	Applications/Withdrawals:	Daily
Fund size:	\$378 million		

Fund commentary

The Fund returned -0.26% after fees for the March 2026 quarter, outperforming the S&P/ASX100 Accumulation Index by 0.61%. While the long portfolio faced headwinds in January and February, both long and short positions contributed positively in March, reflecting the resilience of higher-quality holdings and the defensive characteristics of the short book. The portfolio remains focused on companies with improving earnings quality and identifiable growth drivers, while the short book targets deteriorating fundamentals, positioning the Fund to perform across varying market conditions.

This fund is appropriate for investors with a "Very High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium or long investment timeframe. Investors should refer to the [TMD](#) for further information.

Portfolio performance

As at 31 Mar 2026	3 month	6 months	1 year	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)	Compound annual return since inception (p.a.)
Australian Eagle Trust*	-0.26%	-5.96%	2.63%	4.01%	8.84%	10.15%	12.52%
S&P/ASX 100 Acc. Index**	-0.87%	-2.10%	11.34%	9.53%	9.04%	8.92%	9.51%
Out/(under) performance	+0.61%	-3.86%	-8.71%	-5.52%	-0.20%	+1.23%	+3.02%

Performance is net of fees and expenses, *Inception date is 1 July 2016, ** Performance benchmark, Past performance is not an indicator of future performance.

Market commentary

Global markets sold off sharply in March, reversing gains from earlier in the quarter, driven by the escalation of military conflict between the US/Israel and Iran. The closure of the Strait of Hormuz pushed oil prices above US\$100/bbl, reigniting inflation concerns and driving bond yields higher across major markets. This triggered a broad risk-off rotation, with prior outperformers sold down heavily while energy stocks rallied. Lower-quality and highly leveraged companies were disproportionately impacted, particularly during a volatile reporting season where cost pressures and AI-driven disruption remained key themes.

Bond yields rose across all major markets on resurgent inflation fears due to higher energy prices. China released its 15th 5-year plan, targeting industrial upgrading, cultivation of emerging industries and technological self-sufficiency. Gold reached a new all-time high at US\$5,328/oz on heightened uncertainty but fell as bond yields and the USD strengthened.

The Long portfolio detracted from quarterly performance despite Woodside Energy contributing strongly, following the oil price higher. The team's underweight positioning of the big banks hurt returns as the sector led the market higher until the eruption of the US/Israel and Iran conflict. Cochlear underperformed post downgrades to FY26 guidance and Life360 suffered despite earnings upgrades, due to the strong skew to the second half.

The Short portfolio contributed as the market aggressively sold down several stocks after they revealed weakening fundamentals during February reporting season for companies like Wisetech Global and Treasury Wine Estates.

Quarter-end position & portfolio exposures

Gross Exposure:	195.30%
Net Exposure:	95.57%
Cash:	4.43%

Major portfolio exposures were to medical devices & medical services, and energy with less portfolio weight in major banks and communication companies.

Portfolio Highlights

Positives

Woodside Energy Ltd (Long) - Shares rose in line with oil prices amid escalating geopolitical tensions in the Middle East. A strong FY25 result highlighted improving operational performance and cash flow generation, while key catalysts including Louisiana LNG sell-downs and Scarborough de-risking continue to support a favourable medium-term cashflow outlook.

Wisetech Ltd (Short) - The stock declined as ongoing concerns around AI disruption and valuation pressure weighed on sentiment. Despite HY26 results meeting expectations and cost initiatives providing near-term support, risks around integration, customer churn and earnings sustainability remain.

Treasury Wine Estates Ltd (Short) - The share price continued to weaken as the market reassessed the sustainability of earnings amid declining global wine consumption. The suspension of dividends and ongoing earnings pressure from inventory rebalancing across key divisions remain significant headwinds.

Negatives

Cochlear Ltd (Long) - The share price remained under pressure following a weaker than expected HY26 result and ongoing foreign exchange headwinds. However, underlying demand remains strong, with double-digit implant growth and early traction from the Nucleus Nexa rollout supporting confidence in medium-term growth.

Life360 Inc. (Long) - Shares declined following guidance indicating a second-half skew to FY26 earnings, alongside broader AI-driven volatility across technology stocks. This overshadowed continued growth in monthly active users, improving margins and progress on the Nativo integration, which are expected to support earnings momentum over time.

Web Travel Group Ltd (Long) - The share price weakened following news of a Spanish Tax Agency audit of its local subsidiary, although management has maintained the inquiry is routine and immaterial, reiterating FY26 guidance. While travel sentiment softened amid geopolitical tensions and higher energy prices, underlying earnings momentum remains supported by continued growth in the WebBeds business.

Portfolio Changes

Increased Exposure

Worley Ltd (+4.40%; Entry Long):

An energy, chemicals and resources engineering company. One of the company's main projects, the CP2 LNG facility, has been confirmed. Worley's strong positioning in the US and Middle East supports a favourable medium-term outlook as energy security becomes a key priority.

Flight Centre Travel Group Ltd (+3.15%; Exit Short):

A global retail and corporate travel management business. The share price rallied as the market priced in record sales expectations and growing profitability in the corporate division. The company's \$200 million share buyback program provided further support.

Fortescue Ltd (+2.95%; Long Entry):

An Australian iron ore company. Operational improvements in the iron ore division continue to enhance earnings resilience, supported by lower costs and stronger realised pricing versus larger peers. Fortescue's net zero ambitions have progressed towards reality through the commissioning of its battery-electric heavy-haul rail fleet.

Decreased Exposure

Pro Medicus Ltd (-3.00%; Short Entry):

Developer and supplier of healthcare imaging software. Its recent earnings report missed revenue and EBITDA targets, triggering a valuation reset. Despite being bolstered by a \$149.9m non-operating gain, the very high valuation means that the share price remains exposed to downside risk should earnings expectations not materialise.

Seek Ltd (-2.75%; Short Entry):

Online employment marketplace and platform. Increasing uncertainty around the platform unification strategy raises questions over execution and long-term returns, particularly as the shift to a freemium model in Asia diverges from the original ANZ strategy. Combined with declining ANZ volumes and ongoing concerns around AI-driven disruption, the elevated valuation appears difficult to justify given weakening earnings visibility.

Telix Pharmaceuticals Ltd (-2.70%, Short):

A global radiopharmaceuticals company. Ongoing regulatory uncertainty, leadership changes and rising cost pressures continue to weigh on earnings visibility. Despite solid revenue growth, the risk-reward has a downside skew pending further clinical and regulatory clarity.

Net monthly returns

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY	S&P ASX/100 Acc Index FY
2016/17	10.52%	0.99%	-1.08%	-4.14%	2.94%	5.16%	-0.25%	5.15%	-0.06%	1.94%	1.31%	0.36%	24.48%	14.62%
2017/18	-1.70%	5.27%	0.20%	5.35%	1.05%	1.10%	2.41%	3.08%	-3.86%	4.18%	2.34%	3.60%	25.13%	12.05%
2018/19	-1.09%	1.45%	-2.24%	-7.62%	-0.53%	2.23%	5.98%	3.70%	1.76%	3.65%	2.15%	6.57%	16.27%	12.63%
2019/20	4.00%	-2.46%	-0.18%	-0.34%	3.80%	-1.78%	5.45%	-6.50%	-16.24%	8.32%	9.97%	3.34%	4.59%	-7.84%
2020/21	3.60%	1.83%	-3.53%	4.35%	-0.62%	0.00%	0.13%	1.86%	1.45%	7.26%	3.63%	4.02%	26.24%	27.92%
2021/22	3.37%	3.02%	-1.76%	2.64%	0.63%	3.25%	-9.77%	-0.47%	9.88%	2.54%	-3.88%	-4.39%	3.73%	-4.97%
2022/23	1.92%	5.56%	-3.40%	3.69%	5.96%	-3.57%	1.99%	-0.86%	1.66%	2.19%	-4.77%	1.25%	11.51%	15.13%
2023/24	-0.32%	1.79%	-1.21%	-3.92%	3.22%	3.75%	1.19%	3.22%	0.41%	-3.94%	-0.08%	0.74%	4.58%	12.24%
2024/25	3.40%	-2.52%	0.17%	0.41%	6.13%	-2.14%	5.54%	-2.53%	-1.76%	4.18%	3.71%	1.45%	16.62%	13.90%
2025/26	2.93%	-3.38%	0.12%	2.23%	-5.76%	-2.14%	-2.05%	5.77%	-3.72%				-6.36%	1.60%

Past performance is not an indicator of future performance. The Trust may be of a different return and risk profile than the S&P/ASX100 Acc. Index. Net monthly returns are calculated using exit prices after taking into account all of the Australian Eagle Trust's ongoing fees as disclosed in the PDS and assuming reinvestment of distributions. No allowance has been made for entry fees, the buy sell spread or taxation.

Stock Highlight: Worley Ltd (WOR) – Long Position

This stock highlight is not an investment recommendation and is intended to be read in the context of the Australian Eagle portfolio.



Fuelled by Growth: Why Worley Is Gaining Momentum

Worley Limited has spent much of the past decade trying to redefine itself. Once known primarily as a traditional engineering contractor tied to cyclical project work, the company expanded aggressively into energy services through the acquisition of Jacobs' ECR division in 2019, just before the world turned against fossil fuels. What followed was a difficult period marked by integration challenges, weak energy markets and a sharp de-rating as investors questioned both the strategy and the sustainability of earnings. Today, that same business is being viewed through a very different lens as the importance of energy and infrastructure are being highlighted by headlines and capital allocation.

Backlog growth remains one of the most important metrics for Worley and momentum in contract wins has been strong, with twelve separate awards and appointments in the March 2026 quarter alone contributing to improving visibility over future earnings. The approval of Venture Global's CP2 project Phase 2 is particularly significant, reinforcing confidence in the durability of the pipeline and anchoring a meaningful portion of future workload.

At the same time, Worley is improving the quality of its earnings and reducing operational complexity as organic growth and disciplined cost control drive stronger margins and cash conversion. The business is fundamentally in solid shape, with consistent free cash flow generation supporting shareholder returns, including an almost complete \$500m on-market share buyback. This combination of operational momentum and financial discipline is indicative of a business that is not only growing but doing so with improving efficiency and capital management.

Looking ahead, Worley is a global company but retains a strong presence in both the US and Middle East and positions the company well to benefit from both ongoing energy investment and the rebuilding of critical infrastructure following recent military strikes. While publicly listed international peers have already benefited from this increased focus and industry tailwinds, the market is underappreciating the durability of this demand and Worley's strategic positioning within it, creating an attractive opportunity to gain exposure to a structurally improving earnings profile at a valuation that is considered to be at a significant discount to local and international peers.

The combination of improving earnings quality and growth, priced at a single-digit multiple, presents an asymmetric risk-reward opportunity that aligns with our focus on identifying underappreciated change in earnings quality and growth.

Contact us

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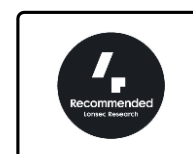
Platform availability

- BT Panorama
- CFS Edge
- Clearstream
- DASH
- HUB24
- Macquarie Wrap
- Mason Stevens
- Netwealth
- North
- Praemium
- Powerwrap

Ratings



Zenith
Recommended



Lonsec Research
Recommended



SQM
Outstanding

Important information

About the Australian Eagle Trust

Australian Eagle Asset Management Ltd is an Australian boutique wholesale fund manager specialising in Australian equities. Australian Eagle's investment process seeks to deliver significant outperformance by identifying mispriced stocks with changing growth profiles and building concentrated portfolios of those stocks.

The Australian Eagle Trust aims to outperform the Australian equity market over a period of 5 years by allowing clients to access Australian Eagle's demonstrated historical strength in constructing Australian share portfolios applied to a long-short product.

This fund is appropriate for investors with a "Very High" risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium or long investment timeframe. Investors should refer to the TMD for further information.

How to Invest

The Australian Eagle Trust is only available to investors via the Australian Eagle Trust Product Disclosure Statement (PDS). You should consider the PDS prior to making any investment decisions. The PDS and target market determination can be obtained by calling 02 8252 7559 or visiting our website <https://austeagle.com/australian-eagle-trust-long-short-fund/> for the PDS or <https://austeagle.com/wp-content/uploads/2026/01/Australian-Eagle-Trust-TMD-Final-09012026.pdf> for the target market determination.

The PDS offers investors the opportunity to invest a minimum of \$20,000 in the Australian Eagle Trust (the Fund). The Trustee has the discretion to waive or vary this minimum requirement. The offer of units in the Fund are available to investors who are resident in either Australia or New Zealand. Investors who are not residents in Australia can invest in the Fund where they are permitted by law to do so. The Trust Company (RE Services) Ltd ABN 45 003 278 831 AFSL 235150, part of Perpetual Limited, is the responsible entity and issuer of units in the Australian Eagle Trust ARSN 632 568 846. The Investment Manager of the Fund is Australian Eagle Asset Management Pty Ltd ABN 89 629 484 840, a corporate authorised representative of Alleron Investment Management Pty Ltd AFSL 278856 and a corporate authorised representative of Montgomery Investment Management Pty Ltd AFSL 354564.

This communication is prepared by Australian Eagle Asset Management Pty Ltd ABN 89 629 484 840, a corporate authorised representative of Alleron Investment Management Pty Ltd AFSL 278856 Suite 301, Level 3, 161 Walker Street, North Sydney NSW 2060 and a corporate authorised representative of Montgomery Investment Management Pty Ltd AFSL 354564, and issued by The Trust Company (RE Services) Limited (ABN 45 003 278 831, AFSL No.235150). This information does not constitute a recommendation, offer or solicitation to buy or sell any securities. It reflects the Australian Eagle Trust's Portfolio at the end of the month stated and Australian Eagle's views at the date of preparation. Both the Portfolio and Australian Eagle's views are subject to change without notice. This communication was prepared for general information only and does not take account of any person's objectives, financial situation or needs. Any person considering action on the basis of this communication must seek individual professional advice relevant to their particular circumstances. Past performance figures are no guarantee of future returns. Date of preparation: 03 February 2026. You should consider the product disclosure statement (PDS), prior to making any investment decisions. The PDS and target market determination can be obtained by calling 02 8252 7559 or visiting our website <https://austeagle.com/australian-eagle-trust-long-short-fund/> for the PDS or <https://austeagle.com/wp-content/uploads/2026/01/Australian-Eagle-Trust-TMD-Final-09012026.pdf> for the target market determination.

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