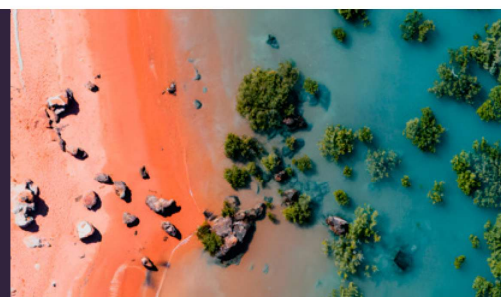


Australian Eagle Equity Strategy (Long Only)

Monthly investment report



March 2026

Strategy overview

The Australian Eagle Equity Strategy (Long Only) (Strategy) aims to provide capital growth over the long term by actively investing in a portfolio of 25 to 35 large-cap Australian listed companies. The Strategy seeks to identify high-quality, undervalued companies with the potential to deliver exceptional returns.

Strategy facts

Investment manager:	Australian Eagle Asset Management Pty Ltd
Objective:	To provide long-term capital growth by actively investing in a concentrated portfolio of 25 to 35 large-cap Australian listed companies. The focus is on identifying high-quality, undervalued companies with potential for exceptional returns.

Benchmark:	S&P/ASX 100 Accumulation Index
Style:	Active, index independent
Portfolio managers:	Sean Sequeira, Alan Kwan
Investment timeframe:	5 years recommended
Inception:	7 February 2025
Strategy size:	\$575 million

Strategy performance

	1 month	3 months	6 months	12 months	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)	10 years (p.a.)	Compound annual return (since inception)
Portfolio	-5.42%	-3.87%	-5.88%	5.93%	6.91%	8.86%	10.80%	13.26%	11.19%
S&P/ASX 100 Acc Index.	-6.84%	-0.87%	-2.10%	11.34%	9.53%	9.04%	8.92%	9.66%	8.06%
Out/(under) performance	1.42%	-3.00%	-3.78%	-5.41%	-2.62%	-0.18%	1.88%	3.59%	3.13%

Market Commentary

Global equity markets fell sharply in March amid extreme volatility, driven primarily by escalating conflict between the US/Israel and Iran. Energy stocks rallied as oil prices surged with Brent crude rising 52% to US\$103/bbl and WTI to US\$102/bbl as the narrowing spread highlighted supply disruption from the destruction of Middle East energy infrastructure and the closure of the Strait of Hormuz.

Emergency oil reserves were released by the IEA to Asia to temporarily ease the supply interruption. Bond yields rose strongly across all major markets on resurgent inflation fears due to higher energy prices. China released its 15th 5-year plan which targeted industrial upgrading, cultivation of emerging industries and technological self-sufficiency. China's GDP growth target was set at 4.5-5.0% vs 5.0% previously, signalling tolerance for a slower pace. The ECB held rates steady for the 6th straight month but warned the ongoing Iran conflict may impact the outlook for interest rates. The gold and silver price both fell 11% and 20% respectively, driven by rising interest rates and a stronger US dollar.

Australian equities declined with global markets, driven by geopolitical risk, rising bond yields and a sharp rotation toward energy exposures. The RBA increased interest rates by 25bps to 4.10% and warned that elevated oil prices could flow through to higher domestic inflation. Economic data remained resilient with Q4 GDP growth of 0.8% (2.6% p.a.) exceeding expectations and marked continued expansion in domestic demand.

Portfolio commentary

CSL announced a US\$1.5bn expansion of its Illinois plasma therapy manufacturing facility to strengthen US capacity. ASX market activity for February showed a significant decrease in capital raised but cash market activity up and average daily trading volume increased by 48%. Dexus launched a new office fund with the under-construction Atlassian building in Sydney as one of the main assets. Woodside Energy promoted its head of Australia as the new permanent CEO and assumed operational control of its Beaumont ammonia plant in the US, which could benefit from the current fertiliser shortage from the Middle East. BHP appointed Brandon Craig as its next CEO starting from 1 July 2026. SILEX Systems secured a US\$98.9m incentive package from Kentucky and McCracken County to advance the company's Paducah laser enrichment facility. Xero announced a deal with Anthropic to embed Claude into its software to enable automation of tasks. WeeBit Nano completed a \$80m placement to strengthen its balance sheet and accelerate development and commercial activities for its ReRAM technology. Wesfarmers has been accused by Infinity Pharmacy directors of using its market power to block a sale of its largest franchisee to a rival, ultimately leading to the group's receivership and potential significant losses for stakeholders.

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

Key Contributors

Woodside Energy Ltd - The share price followed the oil price higher.

Technology One Ltd - The share price rose after a period of underperformance.

QBE Insurance Group Ltd - The share price outperformed as US bond yields rose on rising inflation fears.

Key Detractors

Evolution Mining Ltd - The share price followed the gold price lower.

Cochlear Ltd - The share price sold off after downgrading earnings in reporting season.

Life360 Inc - The share price followed other technology stocks lower.

Important information

This communication is issued by Australian Eagle Asset Management Pty Ltd ABN 89 629 484 840 Corporate Authorised Representative of Alleron Investment Management Pty Ltd AFSL 278856 Suite 301, Level 3, 161 Walker Street, North Sydney NSW 2060. This information does not constitute a recommendation, offer or solicitation to buy or sell any securities. It reflects Australian Eagle's Model Portfolio at the end of the month stated and Australian Eagle's views at the date of preparation. Both the Model Portfolio and Australian Eagle's views are subject to change without notice. Past performance figures are no guarantee of future returns.

Date of preparation: 10 April 2026.

Portfolio changes

Fortescue Ltd (+1.00%): An Australian iron ore and clean energy company. The quality of the iron ore division has improved with a more resilient earnings profile.

Worley Ltd (+1.00%): An energy, chemicals and resources engineering company. One of the company's main projects, CP2 LNG, has been confirmed to go ahead.

Woodside Energy Ltd (-0.75%): A multinational energy company. The share price is approaching our valuation target.

BHP Group Ltd (-0.50%): A multinational diversified miner. The company has been involved in an ongoing dispute with CMRG, resulting in Chinese mills being restricted from buying specific BHP iron ore products.

Top 10 holdings

Company	Weight (%)
Commonwealth Bank Ltd	6.50%
QBE Insurance Group Ltd	6.00%
Woodside Energy Ltd	5.25%
Rio Tinto Ltd	5.00%
Brambles Ltd	5.00%
Cochlear Ltd	5.00%
Aristocrat Leisure Ltd	5.00%
Evolution Mining Ltd	4.25%
CSL Ltd	4.25%
PLS Ltd	4.25%

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Fund Awards

2023

Mercer's Top Long-Only
Australian Equities Fund
Manager over 5 years to
June 2023