

# 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

<b>Investment manager:</b>	Australian Eagle Asset Management Pty Ltd	<b>Benchmark:</b>	S&P/ASX 100 Accumulation Index
<b>Objective:</b>	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.	<b>Style:</b>	Active, index independent
		<b>Portfolio managers:</b>	Sean Sequeira, Alan Kwan
		<b>Investment timeframe:</b>	5 years recommended
		<b>Inception:</b>	7 February 2025
		<b>Strategy size:</b>	\$569 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	0.86%	-2.83%	-7.40%	3.70%	6.26%	8.24%	10.35%	12.96%	11.19%
S&P/ASX 100 Acc Index.	2.12%	-0.34%	-0.25%	9.52%	9.67%	8.75%	8.90%	9.53%	8.14%
Out/(under) performance	-1.26%	-2.49%	-7.15%	-5.82%	-3.41%	-0.51%	+1.45%	+3.43%	+3.05%

### Market Commentary

Global equity markets rallied in April driven by strong AI and technology quarterly company updates along with mass AI-related job cut announcements. The US launched a naval blockade of the Strait of Hormuz as peace talks between US and Iran continued. US consumer sentiment fell to record lows due to higher inflation expectations. Conversely, US business confidence was strong with new orders for US manufactured capital goods increasing the most in 6 years. US bond yields also rose across all maturities, reflecting higher inflation expectations. The Chinese economy grew faster than expectations at 5% p.a., the fastest annual growth rate in 3 quarters. The ECB and BoE both held rates steady but remained wary of the potential effects of the ongoing Iran conflict on inflation and interest rate outlooks as fuel prices soar. The oil price fell slightly but still finished above US\$100/bbl as the Strait of Hormuz remained closed. The lithium price rose 10% to US\$2,540/t amid resurgent demand for EVs and energy storage. The Australian dollar rose 3c to US72c.

Australian equities rose with global markets, driven by resources stocks and improving AI and technology sentiment. Unemployment remained steady at 4.3% although expectations are for this to rise in coming months due to effects of the Middle East conflict. Inflation increased 0.9% to 4.6% p.a. in March as transport inflation rose 8.9% on higher fuel prices. Australian consumer sentiment also slumped to a 2.5 year low on surging energy costs and the prospect of higher interest rates.

## Portfolio commentary

Transurban's quarterly update showed slowing traffic growth in Melbourne from higher fuel prices offset by 8.4% growth in North America from a continued ramp up of the new 495 Northern Extension asset. ASX announced the appointment of an interim CEO. BHP ended its long-standing negotiations with CMRG after agreeing to new pricing and terms of iron ore supply. Evolution Mining downgraded guidance after heavy rainfall at Ernest Henry. Worley announced that the Middle East conflict will negatively impact FY26 profit by up to \$40m. The ACCC commenced its Federal Court case against Woolworths for allegedly misleading consumers on price discounts. Rio Tinto's copper production grew 9% as ramp up continues in Oyu Tolgoi while its African iron ore mine, Simandou, achieved its first iron ore shipment during the March quarter. Fortescue reported lower C1 costs for hematite iron ore but downgraded magnetite production to 9-10mt due to a tropical cyclone event. PLS revealed production growth and lower costs as higher realised prices grew revenue by 52%. Iluka Resources revealed subdued market conditions for mineral sands while commissioning for its rare earths refinery remains on track for 2027. Cochlear announced a significant downgrade to FY26 guidance due to a material deterioration in trading in the second half. Cochlear's share price fall was responsible for 2.1% of the strategy's 1.3% underperformance for April. Major relative portfolio exposures were to medical devices and technology stocks with less portfolio weight in major banks and communications companies.

## Key Contributors

**PLS Ltd** - The share price followed the lithium price higher.

**ASX Ltd** - The share price rose after successfully implementing CHES Release 1.

**Macquarie Group Ltd** - The share price outperformed on expectations of higher earnings from energy price volatility.

## Key Detractors

**Cochlear Ltd** - The share price underperformed after downgrading FY26 guidance.

**CSL Ltd** - The share price fell after the US military scrapped its annual flu shot requirement for service members.

**Evolution Mining Ltd** - The share price fell after downgrading production guidance due to adverse weather.

### 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: 08 May 2026.

## Portfolio changes

**Worley Ltd (+1.00%):** An energy, chemicals and resources engineering company. Growing backlog visibility and approval for one of the company's main projects, CP2 LNG, has increased confidence in medium-term earnings growth.

**Fortescue Ltd (+0.50%):** A low-cost iron ore producer. Production costs and realised pricing remain superior to bigger peers.

**Cochlear Ltd (-2.25%):** A multinational cochlear implant company. Lower referral activity from hearing aid channels has negatively affected organic growth.

**Woodside Energy Ltd (-0.50%):** A multinational energy company. The share price is approaching our valuation target.

## Top 10 holdings

Company	Weight (%)
Commonwealth Bank Ltd	6.00%
QBE Insurance Group Ltd	6.00%
Aristocrat Leisure Ltd	5.00%
Rio Tinto Ltd	5.00%
Brambles Ltd	5.00%
PLS Ltd	4.75%
ASX Ltd	4.25%
Evolution Mining Ltd	4.25%
Woodside Energy Ltd	4.25%
Worley Ltd	4.00%

## Contact details

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### Fund Awards 2023

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