DMX Australian Shares Fund
January 2025 – Investor Update

A wholesale unit trust managed by:
DMX Asset Management Limited
AFSL 459 120
13/111 Elizabeth Street, Sydney, NSW 2000
Trustee & Administrator:
Fundhost Limited AFSL 233 045

Unit price (mid) based on NAV (31 December 2024)	**$1.1791**
Unit price (mid) based on NAV (31 January 2025)	**$1.2006**
Number of Stocks	47
% cash held - month end	1%
Fund size (gross assets)	$13m

1-month return	1.8%
3-month return#	3.5%
12-month return#	18.1%
3-year return, p.a.#	4.2%
Since inception (1 March 2021, p.a.) #	8.5%
Since inception (cumulative) #	37.4%

 # Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV rose 1.8% in January, in a quiet but strong month for the broader market. The ASX Emerging Companies Index was up marginally, up 0.4%, while the ASX 200 Accumulation Index rose strongly, up 4.6%.

Commentary

We had some large movements in both directions this month. Fortunately, the largest decliners are all relatively small positions for us, and include **Academies Australia** which fell 36% as the market awaits December half-year results for this challenged business. **Frontier Digital Ventures** fell another 28% on the back of a disappointing trading update and no news on its strategic review. The company is treading water in terms of cashflow, and at this stage, we would hope to see this story conclude before too long. From our perspective, the position is very small and we'll be reviewing more comprehensively coming into June 30th year-end (for tax loss selling purposes) if we don't see positive developments in the next few months. We've realised some meaningful gains this financial year with trimming **Findi**, selling **RPMGlobal**, and other selling activity. The tax sheltering utility to investors in realising a position like Frontier Digital at this stage may be greater than the potential for a partial recovery to its value.

The portfolio also suffered for the continued erosion to **Medadvisor** and **Smartpay**'s values, with each down 18% and 12% respectively. Finally, our largest holding – Findi – fell another 9%, as the market's expectations for this interesting business further moderate. We're pleased with our position here now, at 5% of the portfolio. Still a top holding, but not a stand-out as it had been previously.

These losses were more than offset by strong gains, again, on some smaller positions including **Raiz** (up 35%), **EDU** (up 26%), and **Kinatico** (up 14%). Smaller gains on larger positions were helpful, too, with each of Sequoia and **Pureprofile** rising 9%. Sequoia has been recovering some of its prior losses as an investor group has built an 18% stake and we believe may wish to drive industry consolidation. Pureprofile's gain – and further gains still, as we move into February – come as management are doing a good job communicating the company's strong growth and move to clear profitability.

Pureprofile is discussed in greater detail in the DMX Capital Partners report, alongside **BSA** which we also have a meaningful exposure to in DMXASF via options we purchased last year. Our options mature in April and are currently meaningfully in the money. If exercised and fully retained, we would have a 5% position in BSA, so, a significant potential exposure for us to carefully consider over the next couple months. Additionally, the DMXCP report includes an overview of the quarterly results of a number of companies, all or which are commonly-held. We encourage you to read the DMXCP report for this additional content.

The big contributor this month though was NZ-listed **General Capital** which recovered 49% (following its 36% decline in December). We discussed General Capital last month, noting its shares had been falling as what turned out to be a substantial shareholder exiting at seemingly any price. We bought most of their position, paying just over 19c for the stake and taking DMXAM's interest to 8.5% of the company. Subsequent to our purchase, the company released its quarterly report which highlighted continued growth in its loan book and profitability that puts it on track for 4c+ EPS for the year ahead. The bounce back to 32c by 31st January reverses the falls from the sell down. The additions to our holding, followed by the price rebound over the month make General Capital a top holding for DMXASF approaching 5% of the Fund.

Portfolio Positioning

As we prepare for the upcoming reporting season, we're pleased with the breadth of the opportunity set to which we're exposed, and in particular that we've been able to somewhat flatten our position size exposures as we harvest some significant gains and rotate capital into more prospective fresh opportunities. Our Top 5 positions account for 22% of the portfolio, and our Top 10 are 40%. To provide some flavour for the composition, we highlight the Top 5, below:

Findi	**5.0%**
General Capital	**4.7%**
Sequoia	**4.3%**
Pureprofile	**4.1%**
Fiducian	**4.0%**

With these, we note that **Findi** is a fast-growing Indian ATM and fintech business. Readers of our reports over the past year or so know that Findi has been a key contributor for us as the stock peaked at +700% a couple months back. We'd allowed the position to grow to 12-13% before pulling it back to around 7-8%. Its subsequent de-rate sees it fall back to a much more modest 5%.

General Capital, as noted above, has rapidly become a top holding having added meaningfully to our position at distress valuations in January.

Sequoia was added to near its lows a few months back, with its recent recovery bringing it back to top-stock status. The company appears to be 'in play' with a quasi activist fund manager putting together an 18% voting block. We watch with interest and hope to see value unlocked here in the year ahead.

Pureprofile as noted above is performing very well, and its management team are engaging positively with the investment community. The shares remain attractive if the company can maintain its growth momentum.

Finally to note, **Fiducian Group** continues to be a core holding for DMXASF. The company is exceptionally well managed, with its financial planning arm which serves as distribution for its value-adding 'manage the manager' fund management business. Despite re-rating ~50% from our purchase in 2023, the shares remain attractively priced.

Summary

While something of a mixed bag, the month was positive on balance, with the portfolio advancing and many key holdings providing positive updates. We're very happy with the broadening of exposures in the portfolio, and the re-balancing of position sizes. The portfolio is comprised of a range of differentiated businesses that are well-managed and attractively priced. We're constantly looking for cash within the portfolio, and note our cash reserves continue to bounce around very near zero. This isn't a target, but rather a reflection of the opportunities in front of us.

Thanks very much for your trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management