



DMX Australian Shares Fund

July 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 (30 June 2025)	\$1.1649 (ex-dist.)
Unit price (mid) based on NAV (31 July 2025)	\$1.2065 (ex-dist.)
Number of Stocks	43
% cash held - month end	1%
Fund size (gross assets)	\$14m

1-month return	3.6%
3-month return [#]	12.3%
12-month return [#]	12.6%
3-year return, p.a. [#]	11.2%
Since inception (1 March 2021, p.a.) [#]	8.8%
Since inception (cumulative) [#]	45.1%

[#] Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV increased 3.6% in July, keeping pace with a strong broader market with the ASX 200 Accumulation Index up 2.4%, while smaller companies were stronger, with the ASX Emerging Companies Index up 3.9%.

Commentary

Once again, our key contributor this month was **EDU Holdings** which rose another 27% as its shares reacted positively to further encouraging profit results. What was our largest position at the start of the month at 7% of the portfolio has expanded to over 9% at 31st July, and 10% as we write. The shares remain attractively priced, in our estimation, and for now we retain an outsized position here. But investors and prospective investors should be mindful that we do now have this outsized position whose monthly movements will impact upon performance potentially meaningfully in either direction.

A range of other positions also contributed positively, as investor interest in smaller companies has seemingly improved significantly. Many smaller companies are reporting positive fundamental developments that are being well received by investors. The market continues to be picked over by private equity and strategic acquirers, and this may be fueling a turn in investor sentiment here. Tax loss selling, too, had impacted valuations heading into 30th June financial year-end; and with this selling pressure abating, many prices are recovering. Examples of moves on positive fundamental developments include **Austco Healthcare** which reported strong revenue and profit growth, as well as continuing to prove out its acquisition strategy as demonstrated by the successful integration of recently acquired businesses. Austco rose 28% for the month. Likewise, **Advanced Braking**, **Kinatico**, **Pharmx**, and **Raiz** all rose 17-23% each on the back of strong double-digit revenue growth, and the expectation strong profits to flow through in the years ahead. In terms of post tax-loss selling relief, the portfolio benefit from **Austin Engineering** recovering 11%, while **Verbrec** was the obvious stand-out beneficiary of selling pressure abatement, rising 37%.

Detractors included **Findi** which drifted 13% lower, notwithstanding positive news regarding the successful completion of a pilot program for its 'BC Max' banking centres that are co-branded with the Central Bank of India (CBI). Findi is now commencing a national rollout of 76 BC Max centres and hope to establish a further 500 locations nationwide over the next two years. These BC Max centres integrate FindiPay merchant services with CBI banking products, are staffed by CBI personnel, and are supported by Findi-owned ATMs, offering an extended-hours, branch-like experience to improve banking accessibility in both urban and under-served areas. While the initiative is expected to be highly profitable for Findi, the rollout does require additional capital. which Findi has now funded through a loan note issue undertaken in August.

Energy One also declined 12%, giving back some of its very strong recent returns. With its significant gains through the 2024/2025 financial year, it's likely some investors waited until July to re-balance weightings and realise gains, perhaps putting pressure on the shares through July. The company also announced the intended retirement of its long-serving CEO, Shaun Ankers, by the end of 2026. Our sentiment toward this leadership change is neutral, as we have a very favourable view of Shaun and the growth and development he's driven over the years, and also see the opportunity here to bring in someone suitable experienced to steer the company into the future.

Each of Findi and Energy One remain key holdings for the Fund, in the 4-5% weighting range, and are joined there by **Pureprofile** and **EML Payments** which together with EDU Holdings comprise our current Top 5 holdings. As a group, these Top 5 presently represent over 27% of the Fund, and we note their idiosyncratic nature with each being uniquely different from the other, and helping us deliver a portfolio exposure overall which is fundamentally different from what we expect investors will be otherwise exposed to.

The DMX Capital Partners update includes more detailed commentary on each of EDU Holdings and Austco, mentioned above. It also includes an update on **Income Asset Management**, as well as detail around the negative sentiment surrounding **Sequoia** whose financial licensing subsidiary, Interprac, has been caught up in the Shield Master Fund collapse. Sequoia's shares fell 20% following increased media scrutiny of this debacle, but we believe its balance sheet and diverse business interests will ultimately support a base-line of value here. It's been a terrible situation though for the thousands of investors associated with these failed schemes, and very disappointing for Sequoia to be associated as a licensor to various advisors involved. As always, we encourage you to review the DMXCP report alongside this update.

Summary

It's pleasing to start the new financial year on a positive note, and in particular with this being mostly driven by positive fundamental developments across the portfolio. For the most part, price increases we've enjoyed recently reflect improving fundamentals and prospects, meaning we perceive continued strong upside across names for the years ahead. As always, we continue to assess the merits of each portfolio company, as well as searching for and reviewing new prospective holdings.

Thanks very much for your trust and support.

Steven, Michael, Chris & Roger

DMX Asset Management

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