



DMX Australian Shares Fund

December 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 November 2025)	\$1.2674
Unit price (mid) based on NAV (31 December 2025)	\$1.3614
Number of Stocks	45
% cash held - month end	1%
Fund size (gross assets)	\$17m

1-month return	7.4%
3-month return [#]	5.2%
12-month return [#]	21.4%
3-year return, p.a. [#]	12.6%
Since inception (1 March 2021, p.a.) [#]	10.7%
Since inception (cumulative) [#]	63.8%

[#]Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV increased 7.4% in December, in a mixed market environment with the ASX 200 Accumulation Index up just 1.3% but the ASX Emerging Companies Index performing strongly, up 10.1%.

Commentary

Key contributors once again include **Verbrec**, which continued its re-rate, up 48%. As noted previously, a non-core divestment followed by a strategic and synergistic acquisition carry the expectation of a material uplift in profitability for the group. Its strong balance sheet and low market valuation provided downside protection, and while the shares have increased materially, they continue to trade at an attractive multiple and hold the potential for significant further gains in the periods ahead. Our largest holding, **EDU Holdings**, continued its re-rate, up another 33% for the month. Its shares benefited from upgraded guidance, the announcement of an agreed highly accretive selective buyback from two large holders (of 12.5% of shares outstanding), and broadening institutional interest in the name with two brokers recently initiating coverage and highlighting material further upside potential. A non-executive director purchasing \$1.6m worth of shares on-market in early December probably also boosted sentiment. A key risk with EDU is of regulatory change, and in the wake of the tragic Bondi massacre, we're mindful of the potential for either a wholesale change to immigration policy, or the enhancement of screening and vetting, and what this may mean for international student enrolment numbers in the future. This risk is mitigated to some degree by EDU's significant onshore recruitment (including of domestic students). At its current market value, EDU also has a degree of base level valuation support from expected earnings from its *existing* student body. As always, we factor risks relative to underlying value and market potential over time and manage our position size accordingly. Whilst we've been trimming modestly, we do retain an outsized position in EDU (~15% of the portfolio) which investors should be mindful of.

Less impactfully, the portfolio benefited from the 52% recovery to our small position in RMA Global, and 26% bounce to Sequoia Financial. Income Asset Management rose 21% and, pleasingly, entered into a small bridging debt facility with insiders to address what was looking like a potential balance sheet shortfall. We'd opportunistically added to our holding earlier in the month, acquiring an additional line of stock at a discounted price of 2.85cps. IAM has a valuable distribution platform in the fixed income investment space, growing nicely with a now largely fixed cost base. Operating around break-even, further growth from here should translate into a strong and growing earnings profile for the business. Finally, we note that two prior laggards – **Austin Engineering** and **EML Payments** recovered 17% and 10% respectively. In the case of Austin, it was pleasing to see its share price find a footing, supported by an active (and we believe value accretive) buyback programme. After surprise downgrades and apparent operational issues across a number of its units, we hope to hear constructive news when Austin reports next month. If they can meet revised guidance, avoid further bad news, and demonstrate improvements with its troubled spots, there remains significant upside potential with Austin from these still-depressed levels.

December was fairly active for us as we initiated small positions in data services specialist, **Veris**, as well as mining industry energy services specialist, **Volt Group**, which we've invested in via a capital raise which settled in early January. Both companies are expanding via strategic acquisitions, have significant growth and earnings up-lift potential, and trade at attractive prices. We also had the opportunity to double our small holding in meteorological data company, **Aeeris**, in an attractive top-up opportunity for this long-held position. Each of Volt and Aeeris are

reviewed in detail, along with Verbrec, in the DMX Capital Partners report which we encourage you to review alongside this update.

To fund these top-up and initiations, we exited our small remaining position in **Pharmx** this month, and (painfully) trimmed **Count** and **Readytech** – all three of which we remain positive toward, but need to manage the constant tension with opportunities competing for our scarce capital. EDU was also trimmed modestly, which is a logical source of funding considering its outsized position. While our funds have performed strongly over the past year, we do emphasise that from our perspective, the opportunity set remains as attractive as ever. Our gains over the past year have been concentrated into a very small number of our holdings (such as EDU and to a lesser extent, Verbrec), while the majority of holdings haven't moved in any meaningful way. With EDU and Verbrec remaining attractively priced notwithstanding their gains, and the value inherent across really the entire portfolio. Our enthusiasm for the upside potential from the overall portfolio is supported by our continual process of rotating out of the more fully valued and thus now less prospective holdings, and into fresh attractively priced opportunities and topping up other more prospective holdings.

Summary

We're pleased to report a strong finish to calendar 2025 and are enthused about the prospects for the portfolio as we move into 2026. The portfolio is comprised of a range of thematically different, smaller, growing, attractively priced businesses. As these companies grow and attract broader investor interest, the potential for valuation re-rates remains as strong as ever, and we look forward to continuing to capitalise on this in the years ahead.

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management

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