



# DMX Australian Shares Fund

## January 2026 – 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 2025)	\$1.3614
Unit price (mid) based on NAV (31 January 2026)	\$1.3551
Number of Stocks	46
% cash held - month end	0%
Fund size (gross assets)	\$17m

1-month return	-0.5%
3-month return <sup>#</sup>	5.4%
12-month return <sup>#</sup>	18.6%
3-year return, p.a. <sup>#</sup>	12.0%
Since inception (1 March 2021, p.a.) <sup>#</sup>	10.4%
Since inception (cumulative) <sup>#</sup>	63.0%

<sup>#</sup> Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV decreased 0.5% in January, in a mixed market environment with resources lifting the broader market, while industrials fell for the month. The ASX 200 Accumulation Index rose 1.8% while the resources-heavy ASX Emerging Companies Index advanced 3.0%.

### Commentary

The portfolio benefited from strong performances with a few of our smaller companies. **Advanced Braking** rose 23% on the back of strong revenue growth, and **Aeeris** rose 35% as it too reported strong revenue growth along with a positive quarterly NPAT result. **Volt Group** rose 22% on our placement acquisition price. Our investment in Volt settled in January, adding this interesting technology-driven mining solutions company to the portfolio. Volt has completed its strategic acquisition of digital asset inspection specialist, 4D Delta, broadening its offer and enhancing its growth profile.

Detractors include **EML Payments** which fell 11% for no obvious reason, **Income Asset Management**, down 12% on a disappointing and messy quarterly result, and down further into February on news of the settlement of a legal dispute and provision of a credit line from a major shareholder. IAM has built an interesting and valuable platform in the credit investment sector, and holds lots of potential, but is navigating a few issues in the short term. **Kinatico** fell by a third as recent growth numbers fell slightly short of investors' lofty expectations, and at a time when software companies globally have been caught in a rout on AI fears. As long-term investors in Kinatico, we remain confident in its underlying value and growth potential. Finally of note, **Raiz** fell 18% on softer than expected user number growth. The market can often over and under-extrapolate short-term growth figures resulting in some wild price movements for what are otherwise sound, well-positioned, good businesses with attractive long-term prospects. These businesses often have significant strategic value, and despite the bumps along the way, business rarely moves in a straight line fashion. We remain focused on the business fundamentals for these companies, and owning an appropriately diverse portfolio of these types of businesses.

The DMX Capital Partners report includes detailed updates on **Pureprofile** and **EDU Holdings** – both of which are key holdings for DMXASF – as well as additional commentary on Advanced Braking, Aeeris, and Kinatico. We encourage you to read the DMXCP report alongside this update.

### February Reporting Season Preview

As we prepare for the reporting period ahead, key updates we'll be looking out for include:

- **Austin Engineering.** Austin's been a drag on the portfolio through 2025 with a number of earnings downgrades and operational issues across its geographic units. A new CEO commenced in July, and the December half will be his first reporting period. We're looking for improvements in the growth-related capacity and operational issues faced in South America and Indonesia. We're also looking for strong working capital management (inventory in particular), and for the resumption of its on-market buy-back programme which commenced last quarter. Having recovered ~30% from its recent lows, Austin's shares

remain very attractive if the company can restore prior period profitability and demonstrate continued profitable growth.

- **EDU Holdings.** EDU is navigating a changing regulatory landscape for international student visas. This includes an upcoming change to how agents can be paid for onshore student transfers. The change has been well-telegraphed, and the various parties are working constructively on work-arounds. We'll be looking for any updates on the regulatory front and how EDU is responding. Having paid a small maiden dividend post 30<sup>th</sup> June, we'll be looking for any update on current and ongoing capital management initiatives for this cash-rich and cash-generative business. A selective buyback is retiring 12.5% of shares outstanding. What the company does dividend-wise, and any update on ongoing on-market buybacks will be interesting.
- **EML Payments.** EML has languished in recent times, following a period of enthusiasm with new leadership driving change and renewed focus on organic growth. After a tumultuous few years, EML has divested non-core operations, resolved outstanding litigation, onboarded fresh and experienced management (who have 'done this before'), and adopted a highly lucrative incentive structure linked to a near doubling of its current share price. The market has been underwhelmed by growth to date, but lead times are long, and the company has been building a large pipeline. We'll be looking for growth in that pipeline, and hopefully some signs of success in converting more prospects. Each of which may lead to a ratchet in investors' expectations and potentially a leg up to its shares.
- **Shriro Holdings.** Shriro recently completed an 8% buyback at 81cps, and has the ability to conduct another buyback for up to another 25% of its shares outstanding. With what's looking like an increasingly tightly-held register, it's hard to see where they'd buy 25% from, but in any case, we'll be looking for an update on the capital management front given how flush with cash the balance sheet must be given recent cash balances and expected cashflow from the past few months. Any strategic update will also be welcomed, with its new director & substantial shareholder – Fiona Brown – now on board.
- **RPM Automotive.** RPM has been a laggard for us with results failing to meet our – and the market expectations – over the past couple of years. We continue to see significant value and upside potential here, and will be looking for updates on its fledgling tyre recycling and for its balance strength to be going in the right direction. We note that activist investor, Jeremy Raper, has recently acquired a substantial (5%) stake in the business, so we'll be looking forward to see how his involvement potentially shapes things in the periods ahead.

### Summary

Moving in to February markets have been volatile with many of our companies ticking lower. With a highly prospective opportunity set, we continue to operate with a virtually fully-invested posture. This doesn't help with the downturns, but with 40+ positions, we're always looking for opportunities to trim or exit in order to rotate into better value elsewhere. We welcome heightened volatility which we seek to take advantage of within the portfolio, and as investors through incrementally adding to our own holdings across our funds over time. No one rings a bell at the bottom, and we don't have any special view as to whether the next big move will be up or down. But we are confident that the collection of companies to which we're exposed via our portfolios – companies which are good businesses, well-managed, and attractively priced – hold the potential for strong returns over the medium to long term.

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger

**DMX Asset Management**

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