DMX Australian Shares Fund
April 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 March 2025)	**$1.1253**
Unit price (mid) based on NAV (30 April 2025)	**$1.1295**
Number of Stocks	45
% cash held - month end	1%
Fund size (gross assets)	$13m

1-month return	0.4%
3-month return#	-5.9%
12-month return#	6.7%
3-year return, p.a.#	4.4%
Since inception (1 March 2021, p.a.) #	6.4%
Since inception (cumulative) #	29.3%

 # Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV increased 0.4% in what turned out to be an unusually volatile month. Markets sold off around 10% early in the month on the back of US tariff uncertainty, but came racing back by month-end. The ASX 200 Accumulation Index finished up 3.6% for April, while the ASX Emerging Companies Index was down 0.6%.

Commentary

The portfolio benefited from strength in a number of key holdings, with **Energy One** continuing its dramatic re-rate (up 14%), **Findi** recovering some ground (up 15%), and **Pureprofile** rising 28%. Pureprofile has benefitted from a combination of strong results, positive business momentum and outlook, and its new substantial investor continuing to mop up shares and rapidly approaching his 20% ownership threshold. Positive contributions from smaller positions, **Raiz**, **RPM Automotive**, and **Frontier Digital** also helped.

These though were offset by modest declines to a number of small holdings at the smaller end of the market cap spectrum. As is often the case, many less liquid names fell more than the market with its decline, and didn't recover as strongly on the way back up. Ultimately though, share prices will either follow fundamentals, or set these smaller companies up for corporate activity as we've seen across our portfolio over time. Examples include **AF Legal**, **Asset Vision**, **Careteq**, **Soco**, **RMA Global**, and **Verbrec**.

The portfolio also suffered for the continued decline of **Readytech**, which fell 19% in the wake of its announced CFO departure. The company is also struggling to win new revenue within its education and council verticals, and this is weighing on growth (and expectations). While growth has stalled in the short-term, we believe there remains a lot to like with Readytech, and we believe its significant revenue base remains attractive to strategic or financial acquirers. Having been courted by potential acquirers in 2022, with indicative bids over double its current share price, and with a substantial private equity operator as its current largest shareholder, we believe the company would likely face renewed corporate interest if its shares remain down here. Conversely, if it can return to growth, there is considerable potential for a meaningful re-rate off this low base.

The DMX Capital Partners report includes detailed summaries of key third quarter company updates, and speaks to recently announced strategic acquisitions made by each of commonly-owned **Austco** and **Prime Financial**. It also highlights the substantial growth being enjoyed by these companies with an average of 20% pa expected earnings growth over a multi-year period (for **Austco**, **Kinatico**, **Prime Financial**, **Pureprofile** and **Raiz**). We encourage you to read the DMXCP report for this additional content. We emphasise though that these companies have relatively low current valuation multiples, and despite being micro-caps, they are large enough now to start attracting institutional interest. We view companies like these as being highly prospective over time for both their growth, and potential for much higher multiples in the future as they become investable for larger institutions. We've benefited from this dynamic with companies such as **Fiducian**, **RPMGlobal**, and currently, **Energy One**. And any of the above-mentioned companies hold the potential for meaningful re-rate if they're successful in executing on their growth objectives.

Additional Updates on DMXASF-specific holdings:

- Michael visited **Austin Engineering**'s US facility in Wyoming in April. Austin is a leading producer of bodies, trays and buckets for mining industry trucks. While it has operations spanning the Americas, Australia, and Asia, its US-based business is a key division and enjoys a particularly strong position in its market. Austin's products are essentially consumables, with a ~4 year life. At face value one would think producing a truck tray is fairly simple. But there's considerable innovation and IP involved across design, and grade of steel used. A single unit may cost US$400k, and the economics to miners are compelling as they seek to optimise payloads and minimise operating costs. Our site visit has been useful in obtaining a deeper understanding and appreciation for the qualitative attributes of this interesting business. We believe Austin is an under-rated company with a strong balance sheet, low current multiple, and considerable growth potential.
- **Fiducian** provided its voluntary third quarter results, recording – as usual – positive net fund inflows, and strong operating momentum with its badged platform, Auxilium. Total funds under management, administration and advice declined along with the market for the quarter. Over time markets rise, and Fiducian is well-positioned with its integrated financial planning and funds management model. But in the short term, results will be impacted to some degree by market movements.
- **Frontier Digital** had positive developments, with board renewal and operating performance. Two highly experienced directors, representing Frontier's largest shareholder, have joined the board. We view this positively, and believe having experienced operators on the board will be an effective counter-balance to its CEO. The company reported quarterly results that showed improvements to previously troubled divisions (such as its Pakistani investment), underlying growth, and overall positive cash flow. We met with its CEO during the month, and having been subject to a strategic review for some time, our sense now is there's not likely to be corporate activity in the near term but instead a renewed focus on developing the business and improving EBITDA margins. Given the troubles of recent years, we'll be carefully considering this now-small position in the periods ahead.

Summary

We're mindful of the potential for continued market volatility, in particular in relation to tariffs in the periods ahead. But as many of our companies continue to demonstrate, good management teams will successfully navigate these environments, and continue to grow and develop their businesses. For our part, we'll remain wholly focused on identifying and owning a diverse portfolio of these interesting opportunities. We have no shortage of ideas, with cash fairly consistently being in the 0-2% range as we continue to deploy into our most compelling opportunities.

Thanks very much for your trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management