



DMX Australian Shares Fund

August 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 July 2025)	\$1.2065
Unit price (mid) based on NAV (31 August 2025)	\$1.2391
Number of Stocks	44
% cash held - month end	2%
Fund size (gross assets)	\$15m

1-month return	2.7%
3-month return [#]	9.7%
12-month return [#]	15.6%
3-year return, p.a. [#]	11.1%
Since inception (1 March 2021, p.a.) [#]	9.3%
Since inception (cumulative) [#]	49.1%

[#]Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV increased 2.7% in August, performing well in the context of a positive August full year reporting cycle for the portfolio. The broad market was also strong, with the ASX 200 Accumulation Index up 3.1%, while smaller companies outperformed, with the ASX Emerging Companies Index up 9.8%.

Commentary

Our largest position, **EDU Holdings**, continued its dramatic re-rate, rising another 18% in August on the back of a positive half-year result, a favourable outlook for the period ahead, and the announcement of a maiden dividend. This was all balanced out with a constructive sense from management that they are working to prudently diversify their revenue streams and de-risk the business. We again highlight EDU's significance to the portfolio, at just on 10% at month end. While risk is building at progressively higher valuations, management are focused on growing the business over the medium to long-term, and we remain comfortable with our position around this level.

The portfolio benefited from advances with a number of smaller holdings. **Tyro Payments** rose 30% as the company confirmed multiple parties have expressed interest in acquiring the business, albeit not yet at pricing acceptable to the board. **Joyce Corporation & Kip McGrath** each rose 10% following good annual results and strong outlooks for each. Two key financial holdings, **Count & Prime Financial** rose 12% and 15%, respectively, as each delivered a progressive set of results and outlooks. Count in particular has been pleasing as it's executed well with the integration of Diverger, and its shares continue to slowly re-rate despite the overhang of a potential sell-down by its largest shareholder, CBA. As the company grows and begins to attract wider institutional interest, any sell-down may provide a liquidity event that brings in new shareholders, helping to unlock inherent value.

Offsetting some of this was continued disappointment with **Medadvisor**, which fell 30% as the reality of the sale of its profitable Australian business to repair its balance sheet and support a loss-making US division set it. **Austin Engineering** fell 13% following another messy result, though we believe significant value and upside potential remain with this position. Finally, **Pureprofile** drifted down 13% for no particular reason. Its full-year results were in-line with prior guidance, and reflect a strong focus on achieving profitability while simultaneously investing for growth. Despite recent weakness, results and operating momentum are strong and we believe continued positive execution here will lead to a higher valuation for the business over time.

We received the proceeds of our convertible note investment in **Xpon** in August. This note reached maturity and with the shares well below our conversion price, we received our investment back in cash with a 40% premium. We had previously re-marked this investment to reflect the expectation of this premium, so we had no further uplift in valuation this month, but it was pleasing to receive our funds back and close out this successful investment. We'd owned this security for 18 months. In addition to the 40% premium, we had been earning 15% pa interest during the first 12 months of our investment, and 20% pa for the following six months. Cash proceeds from this note maturity were a little over 2% for the fund.

August Reporting Season

The DMX Capital Partners update includes detailed post-reporting commentary on each of **EDU Holdings**, **Verbrec**, **Count** and **Raiz**. These are all commonly owned at DMXASF, and the DMXCP report highlights the recent positive developments with each of these, including – pleasingly – upgrades to our expectations from each for the periods ahead. We encourage you to review the DMXCP report alongside this update.

Additional updates from DMXASF holdings include:

- Recent portfolio addition, **Tyro Payments**, reporting revenue and profit growth in-line with guidance, and providing FY2026 guidance that reflects the continuation of these trends. Profitability has increased and is expected to continue to increase, as the company benefits from operating leverage. New services are being developed which we expect will underwrite medium to longer-term growth. Its shares rose 30% on the back of confirmed takeover speculation, with the company announcing they have had multiple parties interested in acquiring the business.
- **Austin Engineering** is a manufacturer of buckets, trays and bodies for trucks into the mining industry. With operations across Australia, Asia and the Americas, Austin is well-positioned to benefit as demand for its lighter-weight and customised products continues to grow. While the longer-term potential for this company is interesting, its shares remain under pressure as a series of disappointments has seen an investor exodus. Austin fell 13% in August on the back of a messy full-year result which included a number of 'one-offs' below the line which we consider to be more 'ordinary' in nature. Cashflow was poor as inventory built, and a modest restatement to its prior year results was put through. Austin has a new operationally-focused CEO, Sy van Dyk, whom we have some experience with as the former CEO of DDH1 which we had owned ahead of its sale to Perenti a few years back. We believe Sy is the right type of leader for Austin at this point in its evolution, and we look forward to seeing what he and the company can achieve in the periods ahead.
- **EML Payments** reported revenue and underlying profit growth in-line with guidance and market expectations. Its shares were flat for the month, but had previously risen as investors are becoming increasingly confident in the company's stated EML 2.0 objectives. EML has come through a challenging period, and having now resolved many legacy issues including divesting non-core & troubled divisions, and settling liabilities & a class action, the company is refocused on growth and profitability. It continues to build its sales pipeline, expanding its salesforce, and targeting a material jump in its pipeline from \$66m at 30th June to ~\$90m by 31st December. Growth will help the company better utilise its operating infrastructure, and should disproportionately fall to the bottom-line. While something of a stretch target, achieving its 13c EPS target by 2028 would make its current share price very cheap. Aside from the potential for material growth and further market re-rate, assets of EML's nature are tending to be prime targets of private equity and strategic suitors who could extract greater value than may be possible as an independent company. We look forward to monitoring progress here in the year ahead.

Summary

The August reporting season included many encouraging and reaffirming results, and, in general, a positive outlook for the period ahead. We're pleased with developments with our portfolio holdings. They continue to remain priced attractively and carry the potential for meaningful returns in the periods ahead. Proceeds from our successful investment in Xpon, together with some net inflow to the fund are helpful as we selectively add to holdings, and initiate a couple of new small positions.

Thanks very much for your trust and support.

Steven, Michael, Chris & Roger

DMX Asset Management

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