DMX Australian Shares Fund
May 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 (30 April 2026)	**$1.2447**
Unit price (mid) based on NAV (31 May 2026)	**$1.2306**
Number of Stocks	46
% cash held - month end	0%
Fund size (gross assets)	$15m

1-month return	-1.1%
3-month return#	-5.4%
1-year return#	8.9%
3-year return, p.a.#	13.4%
5-year return, p.a.#	7.3%
Since inception (1 March 2021, p.a.)#	7.8%
Since inception (cumulative)#	48.0%

 # Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV declined 1.1% in May in a generally firm month for the market. The ASX 200 Accumulation Index rose 0.8% while smaller companies fared similar with the ASX Emerging Companies Index up 0.9%.

The month was quiet for the portfolio with little newsflow or trading activity. We added incrementally to favoured holdings such as **Raiz Invest**, while cutting losses on failed investments such as **Sequoia Financial**. While the outcome with Sequoia in particular has been disappointing, we as always dispassionately reassess each position. Through exiting where our thesis is impaired or broken we can crystalise the tax loss and re-concentrate your hard-won capital into the most prospective of our current opportunity set.

Commentary

The portfolio again benefited from a strong gain in **EDU Holdings** which rose 22% on the back of positive AGM commentary, including a strong Q1 trading update, together with the resumption of its on-market buyback programme at these higher prices. EDU's management have displayed strong commercial nous in buying in shares aggressively when they're relatively lowly valued, and staying out of the market when pricing isn't as attractive. So, we read their recent resumption of the buyback at these higher prices positively considering the current regulatory uncertainty clouding the industry and business.

Tyro Payments recovered 21% as market speculation again turned to potential corporate activity. Tyro's shares had previously been under pressure with uncertainties surrounding the cessation of card surcharging weighing. We believe Tyro is well-placed for the changing landscape, and has an opportunity to win market share with merchants re-assessing options. Following the significant recent sell-off in software, technology, and payments companies, we believe these sectors are ripe for strategic or private equity operators to pick over. Previous holding, **Smartpay**, was acquired last year. Software company and portfolio holding, **Readytech**, has in early June received a takeover approach from a Constellation Software-backed acquirer. Tyro had previously courted potential suitors with no deal agreed, but prevailing market prices together with sound fundamentals may again attract interest in the company.

Detractors this month included **Verbrec** which declined 17% on no news. **Austin Engineering** fell 8%, also on no news, while **Bhagwan Marine** fell 20% on the back of a significant trading downgrade. **Shriro** fell 7% on low trading volumes in the wake of its significant buyback. Financial services companies **Count** and **Earlypay** fell 9% and 17% respectively. Count for no particular news, and Earlypay as it provided a mixed trading update and announced a pause in its ongoing buyback programme as the company has reached its 10% in any 12-month period maximum.

The uncertainty of higher energy costs together with a weak demand in this uncertain economic environment, is impacting valuations across many industrial and consumer-facing companies. Undoubtedly, we're in a challenging economic and investment environment. We look forward to hopefully reassuring commentary and FY27 guidance from companies over the next few months, and in the meantime, remain focused on the long-term fundamentals for our businesses. Good businesses that are well-managed, well-funded, and well-positioned in their respective industries will navigate these environments, capitalise on disruption, and emerge stronger and more valuable over time.

While May was quiet in terms of company newsflow or portfolio trading activity, we were busy preparing for and attending a number of investment conferences where we were able to meet with and hear from many companies. As noted in the DMX Capital Partners update, we were particularly enthused to hear from three existing portfolio holdings at the Australian Microcap Conference. Each of **Comms Group**, **Laserbond**, and **Raiz Invest** reiterated their respective business strategies and provided encouraging commentary on current operating performance. Each of these are commonly-held by DMXASF and as always, we encourage you to review the DMXCP update alongside this one.

<u>Summary</u>

While the market backdrop was more stable through May, the portfolio struggled with detractors taking the shine off some positive advances and developments with key holdings, including EDU Holdings. Where stocks continued to de-rate, we believe this is largely investors placing a greater risk premium on businesses whose short-term performance may be impacted by delayed decision-making by consumers and corporates, together with energy-related cost pressures. We continue to focus on the long-term fundamentals for our businesses, and are increasingly enthused about the latent upside potential across the portfolio

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management