DMX Australian Shares Fund
June 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 May 2026)	**$1.2306**
Unit price (mid) based on NAV (30 June 2026)	**$1.2151**
Number of Stocks	46
% cash held - month end	0%
Fund size (gross assets)	$15m

1-month return	-1.3%
3-month return#	1.5%
1-year return#	4.3%
3-year return, p.a.#	12.7%
5-year return, p.a.#	6.5%
Since inception (1 March 2021, p.a.) #	7.4%
Since inception (cumulative) #	46.2%

 # Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV declined 1.3% in June in a mixed market environment going into financial year-end. The broader market was firm, with the ASX 200 Accumulation Index rising 0.7%, but smaller companies declined, we believe more impacted by seasonal tax loss selling. The ASX Small Ordinaries was down 2.0% and the ASX Emerging Companies Index down 4.1% for the month. The wider dispersion in returns among smaller companies, together with their lower liquidity profiles, make them more vulnerable to pricing impact at this time of year.

Commentary

Key contributors this month include **Verbrec** which recovered 12%, assisted by an announced infrastructure contract win. **Readytech** rose 24% following a takeover offer from Constellation Software-backed Total Specific Solutions. The offer appears opportunistic, but a change of control and fresh run with a potential new and proven significant shareholder would be welcomed. Subsequently, the company announced a significant contract win with Victoria TAFE. The win is a significant endorsement of the business and makes it well placed to win further large Higher Education deals. **Comms Group**, rose 15% on the back of the announced sale of its managed IT services unit. The deal has been struck at an attractive price, allows the company to reduce debt, and will likely result in a significant capital return and franked dividend. Comms Group remains attractively valued with synergies from its prior Tasmanet acquisition still be to be fully realised. We'll need to wait and see whether further asset sales are pursued, or accelerated growth initiatives with its remaining units. The portfolio also benefited from the 16% increase to **Bioxyne**'s (now renamed BLS Pharmaceuticals) shares as the company stepped up its shareholder engagement. Steve & Michael from our team attended a site visit with Bioxyne in Brisbane during the month and were impressed by the operations which include significant capacity for continued growth.

Gains were offset by material declines, in particular to portfolio laggards which have lost significant value over the past year or so, enhancing their tax loss selling candidacy. **EML Payments** is a good example, declining 22% in June and has now fallen ~30% since its last material update (on 1st May), all on higher than normal volume. At its 30th June price, EML is trading more than 70% off its 12 month high. Interestingly, in the days since month-end, the shares have bounced ~15% on no news, highlighting the impact likely tax loss selling can have on these bombed out companies. **Austin Engineering**'s 18% decline for June as the company awkwardly announced another operational and earnings down-grade mid-month. Austin is down more than 50% from its 12 month highs, and over 75% from its prior year highs. Given the well telegraphed issues the company's had over the past year, we didn't consider its most recent downgrade particularly significant. Still, for investors growing tired of bad news, and having suffered significant losses over the past year or two, Austin's stock was probably also somewhat impacted by tax loss selling.

Downgrades to each of **Austco Healthcare** (down 18%) and **Kip McGrath** (down 10%) also weighed. In the case of Austco, the company sites supply chain disruptions and hospital construction delays which affect the timing of their nurse calling system sales. Additionally, we believe the deterioration in the company's order book is weighing on the shares. Austco was a beneficiary of the COVID-era capital spend capital equipment & hospital upgrade cycle, and we believe we're seeing some normalisation to numbers at present. Kip McGrath

downgraded with a number of minor variables going modestly against the company but, taken together, resulting in lower expected earnings for the June financial year. We believe the market overreacted initially to the downgrade, and were pleased to see the company continue its buyback programme, in addition to meaningful director purchases following the update.

Pureprofile was also a material decliner, down 18%. Its shares had previously been performing well on the back of continued strong revenue growth, leveraging this to the bottom line with the company reaching NPAT profitability. Despite the strong fundamentals for this business, its shares have been under pressure in recent months potentially for a number of reasons. Some off-shore institutional selling, together with potential negative sentiment around its CEO's recent share sale (to fund tax obligations on stock-based compensation), and perhaps the perception that the company may seek to raise capital to help fund a more meaningful acquisition, may all be impacting its current price. We consider Pureprofile to be in a phase of its evolution where management and the board can demonstrate their *capital allocation* aptitude, as they navigate the value accretive or dilutionary impacts of issuing scrip to accelerate growth. To date, they've clearly demonstrated their *operational* abilities, transforming and building the company into what it is today. Organic growth, augmented by strategic tuck-in acquisitions, has boosted its revenue base and brought the company into a position of strong and growing profitability. Management have a fantastic platform to move forward with, and we look forward to seeing what they can do with this business in the years ahead.

A small position in **Beonic** was re-introduced to the portfolio in June through a capital raising conducted to augment its balance sheet through a period of growth requiring additional working capital resource. The DMX Capital Partners report includes more detailed commentary on Beonic and how we're seeing the opportunity there now, and as always, we encourage you to review the DMXCP update alongside this one.

Summary

While the nature of equity investing, and with smaller companies in particular, is to experience a wide range of outcomes, we're constantly focused on trying to minimise downside with underperformers, while capturing meaningful upside from those that work out well. A number of our companies have performed and contributed well over the past year, but results for the fund have been held back by adverse outcomes (to date) with names such as Austin Engineering, EML Payments, and Readytech. In the case of Austin, its shares now trade for less than its net tangible assets despite remaining profitable, and generating positive cashflow. EML, despite having made significant progress previously with divesting non-core operations and re-focusing on growth, we believe has dropped off investors' radar. Readytech enjoyed a nice bump in June but remains 50% below where it traded two years ago.

Across our portfolio, whether it's the continued strong execution with the likes of EDU Holdings and Verbrec, which have contributed well to the portfolio in recent times; or the potential for 'ok' results to drive meaningful re-rates from sold-off names such as Austin, EML and Readytech, we see material upside potential and remain enthused about the opportunity to deliver strong returns to investors in the period ahead.

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management

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