DMX Australian Shares Fund
July 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 June 2026) (ex dist.)	**$1.1015**
Unit price (mid) based on NAV (31 July 2026)	**$1.1291**
Number of Stocks	49
% cash held - month end	0%
Fund size (gross assets)	$15m

1-month return	2.5%
3-month return#	0.1%
1-year return#	3.2%
3-year return, p.a.#	10.6%
5-year return, p.a.#	6.3%
Since inception (1 March 2021, p.a.) #	7.8%
Since inception (cumulative) #	49.8%

 # Returns assume reinvestment of distributions.

Dear Investor,

DMXASF's NAV increased 2.5% in July in a generally tough month for smaller companies. Larger companies performed well, with the ASX 200 Accumulation Index up 2.3%, but the ASX Small Ordinaries declined 3.2% while the ASX Emerging Companies Index declined 5.1%.

Commentary

Key contributors this month include **Kip McGrath** which rose 35% on the back of a takeover offer from Crimson Education, and **Pureprofile** which rose 32% on the back of its confirmed full year guidance. **Senetas** rose 19% ahead of the payment of a significant capital distribution.

Detractors included **Change Financial** which declined 33%, though on a relatively small position. The fundamentals for Change remain intact, but investors were spooked by the loss of a legacy client. **Income Asset Management** continued to struggle, declining 20%. The company announced quarterly results that are hard to interpret considering the lumpiness of its revenue wins. Costs are tracking higher than we'd like, and its balance sheet leaves little room for error at present. We see significant inherent value in its operating platform though, and taking a medium to long-term view, continue to see meaningful upside potential.

Core Holdings Tracking Well

The DMX Capital Partners report includes updates on key holdings – **EDU Holdings**, **Pureprofile**, and **Verbrec** – each of which are similarly important to DMXASF. Each of these key holdings updated the market affirming growing revenue & profitability, strengthening balance sheets, and still-attractive prevailing valuations. Each has market valuations in the $50m to $150m range, a level that we consider starts to bring appropriate scale and economies to a listed company, and where a broader range of sophisticated and institutional investors often start to take interest. Each of these companies has strong organic growth potential, and proven management execution capability. They've each successfully integrated acquisitions and continue to look for suitable opportunities to grow in this way. The trio are fundamentally as different from each other as they can be, spanning higher education, data insights, analytics & marketing, and infrastructure services. But they share the above-described core common attributes that are interesting to us and can help drive portfolio returns in the periods ahead.

The DMXCP update also includes our detailed thoughts on the takeover interest in **Energy One**, and Kip McGrath. Each is being pursued by strategic acquirers whom we believe will – if successful – enjoy both operational synergies in addition to meaningful strategic benefits.

For greater granular detail on the above companies, we encourage you to review the DMXCP update alongside this one.

Portfolio Rotation: Enhancing Embedded Value & Upside Potential

July has been relatively active for DMXASF. Some modest net inflow to the fund, together with some portfolio pruning, have been helpful as we've sought to add to our most compelling opportunities as well as initiate new interesting positions for the portfolio. We exited **Prime Financial** during the month, and reduced **Embark Education**. Each are cheap on traditional value-metrics, but we prefer the qualitative & idiosyncratic attributes of replacement holdings we're adding. **Joyce Corporation**, was reduced (and has been subsequently exited in August into further price strength). We continue to like Joyce principally for its KWB kitchen business, which we view as higher quality with still-interesting growth ahead. However, with growing investor interest in the name, its quality and growth profile are increasingly being reflected in its share price. Not to say it doesn't do well from here, but your hard-won capital is fungible and we wish to expose it to the most compelling risk-adjusted opportunity set at all times.

Shriro, which we've discussed at length in the past, was added to around 70c. At that price the company is valued at ~$45m, is debt free with cash on its balance sheet, and earns around $8-9m NPAT. As we've highlighted previously, we like the management team who have executed very well, unlocking significant cash from the business over the years. And we're very happy with the new governance structure, with Dicker Data principal shareholder & co-founder/CEO, Fiona Brown, becoming Shriro's largest shareholder and joining the board. The company has pivoted from cash-cow mode to growth mode, and we believe there's a highly interesting platform here to move forward with. Modest success with deploying its current cash, debt capacity, and significant cashflow into suitable new operating verticals could yield a multi-bag type outcome here in the years ahead.

Finally, we established new positions in each of Energy One (repurchasing a small position having previously been invested), Kiwi med-tech success story **Aroa Biosurgery**, and investment platform operator **Praemium**. As with EDU, Pureprofile, and Verbrec, these three companies couldn't be more different from each other fundamentally. But likewise, each share interesting attributes that we value highly. Each has a strong underlying business with high-quality revenues, meaningful growth opportunities ahead, strong operational execution, and disciplined capital management. Each has the potential of being considerably larger businesses in the future, and are generating positive cashflow so can self-fund that growth. As their respective growth stories continue to play out, each holds the potential for valuation re-rates from current levels.

Summary

We're pleased with the positive start to the financial year, with key holdings updating positively and corporate activity highlighting the value on offer across ASX smaller companies. As we've talked about historically, losing interesting businesses from the ASX – and our portfolios – is bittersweet, with short-term results boosted, but long-term potential removed. Considering the breadth and prospectiveness of the opportunity set we face at this time, though, we're fairly comfortable with doing deals to sell businesses to strategic acquirers who can unlock & extract value. Pricing is key, and we always aim to achieve the best possible outcome for our investors through that process. We presently have three companies subject to takeover offers: Energy One, Kip McGrath, and **Readytech**. We'll be happy for any or all of these proposed transactions to not go ahead, and for these to continue as independent, growing, businesses. But likewise, open to exiting for the right money which we'd continue to rotate into other highly prospective opportunities.

Thank you for your interest, trust and support.

Steven, Michael, Chris & Roger
DMX Asset Management

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