

Monash Investors Small Companies Fund

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April 2026 – Investor Update

Established in 2012, Monash Investors merged with fellow ASX smaller companies specialist, DMX Asset Management in 2024. We're focused on pursuing mispriced opportunities across the ASX smaller companies spectrum. Companies with clear catalysts or pathways to value realisation, and carrying material upside potential.

		Monash Fund	Small Ords
Unit Price 31 st March	\$1.6036	1 Month Return	0.4%
Number of Stocks	34	3 Month Return	-14.2%
Cash Held – month end	3%	1yr Return	6.0%
		3yr Return pa	2.8%
		5yr Return pa	1.6%
		10 yr Return pa	6.1%
		Since Inception (2 July 2012) pa	8.6%
			3.3%
			-10.4%
			15.3%
			8.7%
			3.7%
			7.3%
			6.4%

Returns are net of fees, and assume reinvestment of distributions.

This fund is appropriate for investors with “High” and “Very High” risk and return profiles. A suitable investor for this fund is prepared to accept high risk in the pursuit of capital growth with a medium to long investment timeframe. Investors should refer to the TMD for further information. [Click here for TMD.](#)

Dear Investor,

The Monash Investors Small Companies Fund was relatively flat, up 0.4%, for April against a strong market environment following a challenging prior month. The small ordinaries posted a 3.3% increase for the month, clawing back some of its March decline. As always, given the idiosyncratic nature of our portfolio, individual stock outcomes cause variation in our relative performance month-to-month. Principal contributors & detractors are discussed in Commentary, below.

We weren't particularly active in terms of trading through April, though notably, continued to trim **EDU Holdings** into price strength, keeping our largest position's weighting at prudent levels from a risk management perspective. A new position in **Raiz Invest** was added. We've owned Raiz via the DMX Funds for some time and took advantage of its recent price weakness to both add at DMX and establish a position for the Monash Fund. Raiz is discussed below.

We remain focused on identifying and owning what we consider to be good ASX smaller companies that are growing, profitable (or expected to be imminently), and attractively priced. To the extent we enjoy success in this endeavour, we hope to capture both growth and the eventual market re-rates to these businesses as their stories become more broadly appreciated.

Commentary

EML Payments disappointed the market with a surprise downgrade to its revenue and profit guidance. The company sited timing issues around the implementation of new revenue programmes, but the market's slashing of its value by 25% for the month – and that following prior weakness – investors have become skeptical around the company's medium to longer-term potential. Most concerning for us was the fact EML's executive chairman added meaningfully to his investment in the company in the prior month. Ironically, what we last month considered to be good news we now consider as bad, as the implication is he (and management?) perhaps don't have a good handle on the day-to-day realities of the business. We've not adjusted our holding for now and intend to reassess following a meeting with management this week.

Peninsula Energy fell away toward the end of the month in anticipation of its quarterly cashflow reporting. Its shares ended down 24% for the month, with its quarterly result highlighting a balance sheet that's coming under renewed pressure with challenges around ramping production causing greater costs and timing delays. We've subsequently taken the decision to materially reduce this position as the risk/reward here is less interesting to us than that for other highly prospective companies we are focused on. Finally to note in terms of detractors, **Pureprofile** fell 9% despite reporting a strong quarterly result and reaffirming its full-year revenue and EBITDA guidance. Pureprofile is growing strongly, is now-profitable, and is very attractively priced.

Positive contributors included **EDU Holdings** which rose 18% on no particular news. EDU's shares have been volatile over the past few months, moving in-line with the market's oscillations and as investors contemplate and handicap changes to the regulatory environment & student visa settings. The company, which has a cash-rich balance sheet and is strongly cash generative, has been active in repurchasing shares toward the low end of its recent trading range. Meaningful contributions were also recorded with three prior laggards: **Austin Engineering** (up 12%), **Verbrec** (up 8%, but on a large weighting), and **Readytech** (up 20%). In the case of Austin, its shares seemed to find a floor (for now) as investors wait for further newsflow that hopefully confirms its turnaround remains on-track. Readytech found support following the publishing of a fund manager's case for the company being a takeover target potentially at a multiple of its current price.

Shriro Buyback Update

One of our largest holdings, **Shriro**, completed its tender buyback. As we've discussed in past reports, the company has generated significant cash over the past few years and returned this to shareholders via dividends, capital returns, and buybacks. Cash has mostly been generated from underlying profits, but to some extent has been from freeing up working capital as various business lines have been discontinued. With its most recent buyback, the company had offered to buy back up to ~25% of its shares outstanding and achieved around 11%. Together with its two prior tenders, the company has now repurchased 34% of its shares outstanding over the past 18 months. Having seen its business shrink though, the company has updated its dividend policy to now retain the vast majority of earnings, which together with existing cash reserves and its debt capacity, can be used to fund both organic and acquisitive growth. There's been a very clear and deliberate shift with the business which has now pivoted toward growth. Its new significant shareholder and now-director, Fiona Brown, co-founder/CEO of Dicker Data, we believe will want to replicate the success of her other growth-oriented ventures. We're mindful current trading may be adversely affected by weak consumer sentiment with higher fuel prices, higher interest rates, and general economic uncertainty. But from a starting P/E of 5-6 times, with no debt and cash to hand, any success in ultimately growing earnings could translate to very strong total shareholder returns from here. A no-growth, all-things-equal type outcome from here would generate ~15-20% annual returns (simply our current earnings yield). But some growth, and valuation re-rate could super-charge that.

New Stock: Raiz Invest

Raiz is an investment app that allows users to invest regular small amounts across a variety of investment options. The company provides innovative tech-driven solutions to create interest and boost engagement. We've owned Raiz via the DMX Funds for a number of years and have taken the opportunity to add this position to the Monash Fund. Following a few years which included ill-considered international expansion, the company has demonstrated renewed focus and operating discipline, focusing on its home market of Australia. Costs have been contained, and the company has moved from a significant loss-making position to now being profitable. With a user base approaching 350,000, a revenue mix including fixed monthly fees in addition to management fees linked to funds under management (of now over \$2b), and anticipated expansion into the provision of direct share trading (both Australia and International) as well as option value around future services such as financial planning, roboadvice, etc, we think Raiz is well-positioned in a growth sector. We initiated a position in April at an average price of 56cps which. At this level, the company is valued at less than \$60m, with surplus cash to hand approaching \$10m, is profitable, and on a per-user basis, just \$150 per person. We think this is far too low for a strategically interesting asset like this, in addition to being highly prospective as an independent company. We expect solid double-digit revenue growth from here for many years to come, driven by a combination of net user growth, periodic fee increases, and revenue from new services (broking soon, and financial advice down the track). From a starting position of profitability, and that revenue growth expected to fall disproportionately to the bottom line, Raiz holds the potential to perform exceptionally over the years ahead.

Summary

It was pleasing to see markets stabilise after a period of heightened uncertainty. The Monash Fund was relatively flat, with a mixed bag of developments, but on the whole remains highly prospective. As always, capital is being rotated from the least interesting names and into adding selectively where companies have become increasingly prospective, as well as to introduce new exciting names such as Raiz Invest to the portfolio. While markets are calmer at present, we're ever-mindful of the potential for further disruption and uncertainty, but our focus remains squarely on the fundamentals and prospects for our companies, and on maximising the embedded value across our portfolios. Returns come in waves, and the work we're doing now – we believe – is an important part of the set-up for risk management and return generation for the 5-10 years ahead.

Thank you for your interest, trust and support.

DMX | Monash Investors

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