

**NET ASSET VALUE (NAV) PER UNIT as at 31 August 2020**

Share series	Previous NAV	NAV per share	Performance	Benchmark
Wholesale Class	\$0.819	\$0.897	+9.6%	+2.8%
Retail Class	\$0.820	\$0.891	+8.6%	+2.8%

**TOP PORTFOLIO HOLDINGS as at 31 August 2020**

Company	ASX Code
Mesoblast	MSB
Charter Hall WALES	CLW
Oz Minerals	OZL
Mineral Resources	MIN
Next DC	NXT

**KEY INFORMATION**

Responsible Entity	Burman Investment Management Limited
Manager	Burman Invest
Portfolio Manager	Julia Lee
Fund Inception	15 January 2020
Number of Stocks	15-25
Cash Distributions	Semi Annually

**MARKET COMMENTARY**

Global markets had a strong rise in August driven by the big Tech stocks in the US and hopes of a Covid-19 vaccine. Locally, August is full year reporting season. This is when we receive a report card into how companies are travelling. At the start of reporting season, consensus was for a fall of 15.5% in earnings for FY20. By the end of the month, the fall in earnings was 17.7%. Expectations for FY21 earnings also fell to 1.7%.

The best performing sector was Tech with a rise 15% followed by Consumer Discretionary with a rise 7.8%. The worst performing sectors were Utilities and Communications with a fall ~5%.

With markets gaining confidence, the post Covid-19 trade was in focus. The best performing stocks on the Australian market were Corporate Travel (CTD) with a rise 83% for the month and IDP Education (IEL) with a rise 51% for the month.

The worst performing stocks in the S&P/ASX 200 were Whitehaven Coal (WHC) with a fall 33% and Resolute Mining (RSG) with a fall 15%.

**STRATEGY**

Reporting season usually results in movements in the portfolio on the back of reported results and outlook comments. The main addition to the portfolio was Netwealth (NWL) after a strong earnings result and outlook. We believe that the company will continue to benefit from the move away from financial planning and wealth by the Big Four banks.

With bank valuations moving from overly pessimistic to overly optimistic valuations, we took profit in the banks. We also took profit on Super Retail (SUL). With stimulus due to wind back in September, it means a less than rosy outlook. We exited with a gain 30%+.

**PORTFOLIO COMMENTARY**

The fund performed exceptionally well in August. The portfolio rose +9.6% in the wholesale and 8.6% in the retail units compared to the benchmark which rose +2.8%.

Our best performing stock for the month was Mesoblast. Mesoblast had an oncology advisory committee organized by the Food & Drug Administration in the US for use of Remestemcel-L in children with steroid-refractory acute graft vs host disease. There is currently no approved treatment in the US for this in children under 12. The oncology advisory committee voted 9-1 in favor of the drug. Final decision is due by 30 September 2020.

Our worst performer was a relatively small position in Northern Star with gold prices pulling back in August. At Burman, we believe that the declining US dollar will continue to be positive for bullion prices.

There have been some enquiries on additional investment. Here is the link to the application request. Funds must be received 3 working days before the 15<sup>th</sup> of the month for new investments. We welcome any additions to the fund.

<https://burmaninvest.com.au/wp-content/uploads/2020/02/Additional-Application-Request.pdf>