

NET ASSET VALUE (NAV) PER UNIT as at 29 October 2021 (ex-distribution prices)

Share series	Previous NAV	NAV per share	1 month	FY to date
Benchmark	-	-	-0.1%	+1.6%
Wholesale	\$0.9487	\$0.9238	-2.6%	+0.8%
Retail	\$0.9455	\$0.9205	-2.6%	+0.8%

TOP PORTFOLIO HOLDINGS 29 October 2021

Company	ASX Code
Qantas	QAN
Nufarm	NUF
QBE Insurance	QBE
Harvey Norman	HVN
Cimic	CIM

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

The SP/ASX 200 accumulation index fell 0.1% in October. Higher than expected inflation data & a rise in Australian bond yields weighed on performance.

Longer-term yields rose with the 3-year Australian bond yield rising from 0.89% to 2.08%. Worries about the potential default from China's largest property developer Evergrande subsided.

The best sectors were tech (+2.1%), healthcare (+1.0% & financials (+0.8%).

The worst sectors were industrials (-3.2%), energy (-2.7%) & consumer staples (-2.3%).

Iron ore prices continued down as power issues, steel production cuts & increasing supply from Brazil impacted prices. We look for improving conditions for iron ore post the Beijing Winter Olympics in February 2022.

Next month is bank reporting season with 3 out of 4 big banks reporting full-year numbers. Annual General Meetings are held by most companies with an emphasis on forecasts.

PORTFOLIO COMMENTARY

The fund ended -2.6% for October with the Australian share market -0.1%.

Lithium miners continued to rise with stronger prices supporting the shares. Pilbara Minerals (PLS+7%) & Orocobre (ORE+3%) both rose. PLS announced a positive Final Investment Decision (FID) with joint venture partner Posco. Posco also increased its contracted offtake volumes from PLS.

Detractors from performance were SGR (-18%), SLK (-18%) & VUK (-10%).

Star Entertainment (SGR) was sold off heavily after negative media coverage on the ongoing investigation & AUSTRAC allegations. This looks to be a short-term over-reaction & the share price should jump back. The business outlook is positive on the back of Sydney reopening & the exception growth from QLD assets. SGR also is looking at selling up to 49% of its Sydney property which will unlock capital.

Sealink (SLK) slid on the back of a contract being awarded to a competitor in Melbourne.

Despite a rise in oil prices for the month, Woodside (WPL -2.6%) fell after a strong performance in September.

Sold AZJ, CHC, WTC for a profit. With rising interest rates the norm, we took profits on interest rate sensitive stocks.

New positions: Orica (ORI) looks to have turned a corner and the earnings downgrade cycle that has been in place over the last few years looks to be coming to an end. New management is focused on turning around operations.

The company which deals in explosives and fertilisers has seen better volumes in the 2nd half.

LOOKING AHEAD

Next month Annual General Meetings (AGM) are in full swing. In focus will be rising costs & the ability or inability of companies to pass these costs on to customers.

The end of a calendar year seasonally tends to be a positive time for shares as dividends are paid & some reinvested.

CONTACT US

We appreciate your support. I am also always available for a chat. The best way to reach me is by sending an email to: support@burmaninvest.com.au, with the best time/day/number to call.

- *Julia Lee*