

NET ASSET VALUE (NAV) PER UNIT as at 30 November 2021 (ex-distribution prices)

Share series	Previous NAV	NAV per share	1 month	FY to date
Benchmark	-	-	-0.5%	+1.1%
Wholesale	\$0.9238	\$0.8957	-3.0%	-2.1%
Retail	\$0.9205	\$0.8923	-3.1%	-2.2%

TOP PORTFOLIO HOLDINGS 29 October 2021

Company	ASX Code
Steadfast	SDF
Aristocrat Leisure	ALL
Telstra	TLS
QBE Insurance	QBE
Harvey Norman	HVN

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 S&P/ASX 200 accumulation index fell 0.5% in October. Global share markets also fell, driven by the Omicron variant and more hawkish comments from the US Federal Reserve Chair.

The world is better positioned to deal with variants of Covid-19 than it was in February 2020, through vaccines, treatments, masks, and social distancing. Like other bouts of volatility on the back of rising Covid cases, we expect this to be another opportunity to use volatility to add to the portfolio.

The Federal Reserve Chair Jerome Powell took a more hawkish stance with markets now pricing in faster removal of stimulus through tapering and a faster timeline to increasing interest rates.

AGM season continued adding another layer of volatility to stocks.

The best sectors were materials (+6.2%), communications (+5.2%) & property (+4.5%).

The worst sectors were energy (-8.4%), financials (-8%) & tech (-2.9%).

PORTFOLIO COMMENTARY

The fund ended -3% for November with the Australian share market -0.5%.

AGM season was a key source of volatility for some of our portfolio.

Tyro (-28%) was sold off heavily after its AGM update. The company reported that gross profit would be up 22% on the prior period. Concerns around a deteriorating margin saw shares sold off dramatically. The company issued an after-market hours statement clarifying that gross profit had been reduced by the Bendigo Bank Alliance deal as expected. We expect the shares to recover as the lockdown impacts fade and for profitability to continue to increase.

Virgin Money fell (-14%) on the back of the AGM update. Rising costs saw shares coming under pressure despite the company saying that it's returned to a FY pretax profit. Rising interest rates and digital transformation should support the business and improve profitability.

Lithium miners continued to rise with stronger prices supporting the shares. (ORE=14.8%)

James Hardie (+7.7%) on a solid 1st half profit result which saw net profit at \$271 million compared to 96.2 million a year ago. The company also raised its FY guidance.

Incitec Pivot (+7%) as fertilizer prices remain strong. Record ammonia prices bode well for the company's profitability, and we expect to see a strong profit result come through for FY22.

With agricultural conditions looking strong we added Bega (BGA) to the portfolio. BGA is exposed to the milk price which has been rising and should benefit from banking the synergies from its acquisitions.

Iron ore prices look to have bottomed, and we have started to build a position in Fortescue (FMG).

December also tends to be a strong month for the banks. We added Westpac (WBC) which looks to have been oversold.

Sold PLS, NUF for a profit.

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*