August 2021

It has been extremely difficult to bring you regular and informed commentary on the market over the past months. The only consistent element has been volatility and change which has driven by an uncertain economic direction relating to both the effects of Covid and the underlying impact of Government fiscal intervention.

We continue to be in that position but thought it timely to report on how your funds are tracking and our current plans to continue the momentum.

Let's get the downside out of the way first. Many of you will be aware that **MVP** (Medical Developments) is trading well below our average buy price. We intend however to continue to hold this stock for the long term. Given its current and projected sales performance both here and in Europe, we feel that the current price will hold (but not without ongoing volatility). Part of the reason for its current price was the capital raising it undertook after we purchased and that has obviously had a negative impact on its price. What still holds true is the potential for a significant breakthrough in China, and particularly in the USA in relation to its pain relief technologies and products which are only awaiting regulatory approval. We strongly believe this will be forthcoming – we just must be patient.

The good news is that we are holding good profits across almost all the portfolio. **HYGG** (Hyperion Global) and **MVB** (VanEck Banks) are tracking at above 10% gains and holding their value. We believe that there is further improvement in the **HYGG** stock, however we also believe that it is timely to move away from the banks (**MVB**).

The months of September and October have historically tended to be down months on the market, and we feel that the time is right to sell **MVB** stocks and take the profit. We intend to reinvest in **GCI** (Gryphon Capital) for the short term; **GCI** offers greater capital stability along with an income focus – we will hold until we feel it appropriate to re-enter the equities side of the market, toward the end of November 2021.

In other news, **RDC** (Redcape Hotel Group) have announced that they intend to de-list from the ASX and take investors into an unlisted stock. They believe that the market has undervalued its stock, given their strong asset backing (pub/hotel and real estate holdings).

Therefore, they have offered to buy back any stock at the original buy price ($1.15) from investors who do not wish to continue.

The promise of capital gain from this stock was significantly impacted by the first COVID wave which closed all or most entertainment and dining venues. Since then, its share price has gradually recovered. We would have been happy to continue with this stock however we are unwilling to follow it into an unlisted status with regard to limitations placed on redemption of funds.

The positive aspect is that over the time we have held these shares, dividends have returned almost 7%, and the buy-back price of $1.15 means that the initial outlay is returned without loss.

(*It should be noted that the **RDC** plan to delist is subject to shareholder approval, but that approval is more than likely to be granted given **RDC** board's strong recommendation*)

As with the sale of **MVB**, we will reinvest these funds with **GCI** and hold over the next months which will generate further income for your portfolio and allow us to re-assess the market and select an appropriate time to reinvest.

If have any questions regarding the above or any other concerns, please contact either William or Wayne directly for further information.

The above information that is general in nature. It does not consider the objectives, financial situation or needs of any particular person. You need to consider your financial situation and needs before making any decisions based on this information. Please arrange an appointment to seek personal financial and taxation advice prior to acting on this information.