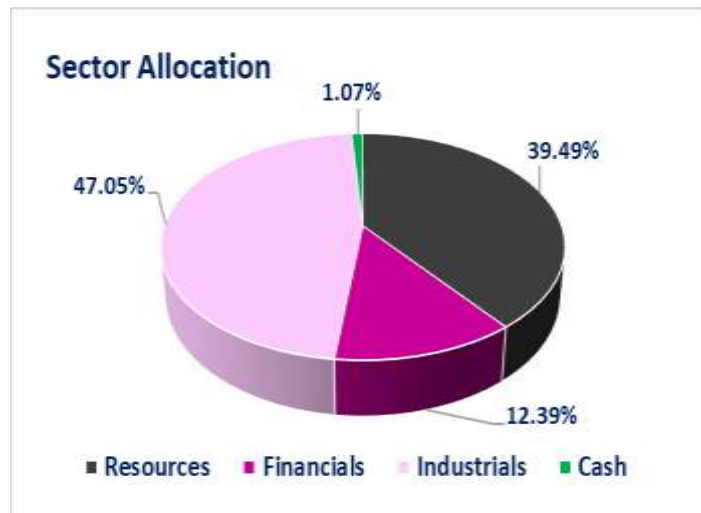


## HOUSEVIEW FUND COMMENTARY

**Fund Size:** R290 956 223.90

**Inception Date:** October 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPN	Industrials	13.67%
2	AGL	Resources	10.83%
3	BHP	Resources	10.75%
4	CFR	Industrials	8.04%
5	PRX	Industrials	6.54%
6	IMP	Resources	5.40%
7	SSW	Resources	4.56%
8	NHM	Resources	3.17%
9	MNP	Industrials	3.12%
10	SBK	Financials	2.94%
	<b>Total</b>		<b>69.03%</b>



### FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
Fund	1.09%	10.37%	36.22%	16.42%	45.51%	39.06%	78.43%	9.07%
Benchmark	1.61%	10.04%	34.28%	14.58%	38.67%	24.12%	59.45%	7.25%

### RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
0.95	4.14	20.05	20.78	31.64

### RECENT TRANSACTIONS

The transactions for April 2021 are as follows:

#### Purchases

None

#### Sales

None

## Market Performance

South African Equities posted a +1% total return in April, underperforming Bonds +1.9%. SA Listed Property was the best performing asset class with a total return of +11.7%

Within equities, SA Resources returned +2.9%. Basic Materials returned +3% with solid performance coming from Chemicals +13.6% (Sasol +15.3%). Energy lost 6.1% over the month with Montauk Renewable losing 30% in April.

SA Financials posted a total return of +1.5% in April. Finance & Credit services +6.3% (Transcap) and Non-life Insurance +5.2% (Santam) were the top performing equity sectors. Banks (+1.3%) and Life Insurance (+1%) underperformed within this group.

SA Industrials lost 1.2% over the month, dragged down by heavyweight Technology with Naspers losing -6.3% and Prosus -3.7%. Consumer Staples returned -1.9% with Tobacco (-4.4%), Food Producers (-3.1%) and Personal Care, Drug & Grocery stores (-2%) posting losses over the month. Only Beverages (+10%) outperformed within this group. Of the SA Industrials, Healthcare (+7.5%) posted the largest outperformance, followed by Consumer Discretionary (+3.7%), Industrials (+3%) and Telecommunications (+1.8%).

Small Caps were once again the largest outperformers over the month, returning +5.6% with solid performances coming from Vukile +29.2%, AwaProp B (+22.2%), Bytes (+20.8%), SA Corp (+20.3%), Zeder (+19.7%) and Altron (+18.5%). Mid-Caps returned +2.5% and Large Caps only managed a total return of +0.4%.

Year to date, Property has outperformed with a total return of +18.8%. The All Share has posted a total return of +14.2% while Bonds are flat (0.1%).

Within equities, SA Resources has posted a positive total return of +22.1% year-to-date and SA Industrials +11.6%. SA Financials are lagging with a total return of +5.4%.

Small Caps are the current year-to-date leaders with a solid total return of +28% (Steinhoff +110%, City Lodge +72%, Motus +66%, Emira +57%, Hammerson +55%, Tsogo Sun Hotels +52%).

Large Caps have returned +14.1% and Mid-Caps 12.0%. Within this universe, the top year-to-date performers are Sasol (+82%), RBPlats (+77%), Investec Plc (+55%), MTN (+52%), Investec (+51%), Sappi (49%), Amplats (+40%), Implats (39%), Truworths (+37%) and Distell (+33%).

The rand strengthened to 14.49 against the US dollar (+1.90% month on month) from R 14.78. The currency weakened slightly against the euro at 17.41 (-0.52% month on month) and strengthened against the pound at 20.03 (+1.57% month on month). SA's five-year CDS spread narrowed by 10.9% during April 2021 by (26bps) from 239 to 213 points & a 5.45% widening since the beginning of the year.

On the news front, the 30-day ultimatum given to the SG of the ANC, Ace Magashule, has now lapsed. By all accounts, the NEC should in theory now suspend his membership. South Africa's vaccine drive has been bumbling along at an extremely slow pace. The nearly two weeks pause of the J&J rollout in early April has now seen 54K healthcare workers getting jobs in the month of April with the total figure rising to just over 318 000 of people vaccinated. SA's vaccine drive however has received a boost, with the Minister of Health confirming that SA is to receive c. 325 000 doses on a weekly basis to a total of 1.3 million by end May with the first batch arriving 1 May 2021.

In terms of company news & NPN/PRX, Reuters reported that Tencent may face a fine of at least 10 billion Yuan (\$1.6 billion), which is less than the \$2.8 billion levied upon fellow titan Alibaba, according to the report. The company faces penalties for not properly reporting past acquisitions and investments for antitrust reviews. AGL has announced details for the planned de-merger of its South African thermal coal assets. Newco will be named Thungela Resources, it will be listed on the JSE. Thungela share trading is expected to begin on 7<sup>th</sup> June 2021 subject to shareholder approval at a 5<sup>th</sup> May vote.

In April 2021, SA Equities had net foreign outflows of USD 0.09 billion whereas SA bonds had a net outflow of USD -0.71 billion. Meanwhile, Cumulative inflows into emerging market Bonds and Equities

year to date are now +\$31.90 billion and +\$79.5 billion respectively. Firstrand, Nedbank & MTN were the most bought stocks by foreigners whereas Absa, Bidcorp and Amplats were the most sold stocks.

### **Portfolio Performance**

The portfolio returned 1.09% during the month, underperforming the CAPI index which returned 1.61%. Positive contributors to performance for the month included the fund's overweight positions in Aspen, Investec & Sibanya as well as underweight position in AngloGold & Amplats. Negative contributors to performance included the funds overweight positions in Naspers, Prosus & Mr Price as well as underweight positions in Growthpoint properties, Capitec & Anheuser Busch.

### **Cachalia Capital Investment team**

#### **From our Corner in the Sky**