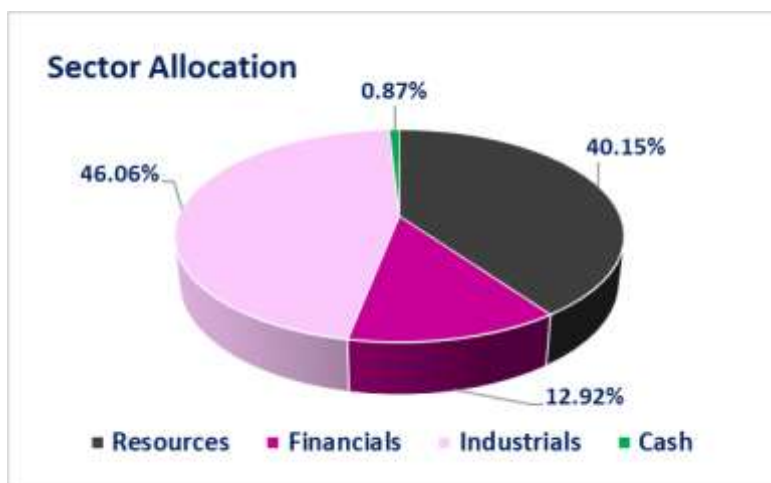


HOUSEVIEW FUND COMMENTARY

Fund Size: R253 221 096.51

Inception Date: October 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPN	Industrials	14.29%
2	BHP	Resources	10.89%
3	AGL	Resources	9.73%
4	CFR	Industrials	8.04%
5	PRX	Industrials	7.60%
6	SSW	Resources	4.63%
7	IMP	Resources	4.60%
8	SBK	Financials	3.55%
9	BTI	Industrials	3.25%
10	MNP	Industrials	3.11%
	Total		69.70%



FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
Fund	3.99%	12.28%	15.54%	12.06%	12.06%	21.20%	53.27%	6.98%
Benchmark	4.92%	10.48%	12.20%	6.38%	6.38%	8.73%	39.16%	5.36%

RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
1.04	4.80	32.01	30.59	32.36

RECENT TRANSACTIONS

The transactions for December 2020 are as follows:

Purchases

None

Sales

None

Market Performance

South African Listed Property was once again the top performing asset class over the month, with a rand total return of 13.7%. The ALSI posted a total return of +4.2% in December and the ALBI a total return of +2.4%.

SA Resources and SA Financials showed similar total returns of +9.5% and +8.3% respectively in December, while SA Industrials shed 1.0% over the month.

All equity sectors within SA Resources and SA Financials posted positive total returns in December. Of the major Resource sectors, top performance came from Platinum (+20.8%), Industrial Metals (+18.2%) and Coal (+16.4%). For Financials, Real estate Dev and REIT's returned +18.0% and 11.4% respectively, followed by Banks (+8.6%) and Life Insurance (+8.4%). General Retailers (+5%), General Industrials (+4.1%), Food Producers (+4%) and Media (+3.0%) were the best performing major equity sectors within SA Industrials, while the Construction (-7.2%), Travel & Leisure (-5.2%), Mobile Telecoms (-4.0%) and Software & Computers (-3.5%) struggled in December.

In Q4 2020, SAPY was the overall asset class winner with a total return of +22.2% (-14.1% in Q3). The ALSI posted a rand total return of +9.8% vs +0.7% in Q3. Financials were the winners in Q4 with a large gain of +19.5% vs +8.3% for Resources and +7.4% for Industrials. The ALBI posted a total return of +6.7% in Q4 and Cash a total return of +1.0% (+1.5% and 1.2% respectively in Q3).

Of the equity sectors, Media recorded the largest Q4 total return (+38.3%), followed by Real Estate Dev & Services (+33.5%), Platinum (+29.1%), Banks (+25.8%) and Industrial Metals (+25.7%). Meanwhile, Gold Mining (-24.8%), Tobacco (-6.0%) and Health Care Equipment (-4.1%) were the only sectors to show negative total return performance in Q4 2020.

In 2020, SA Bonds was the best performing asset class with the ALBI delivering a total return of +8.7% (2019: +10.3%, 2018: +7.7%). SA Equities were the second-best performing asset class, with the ALSI posting a total return gain of +7.0% (2019: +12.0%, 2018: -8.5%). The SAPY, with its largest negative annual return on record (since 1976) of -34.5%, was the worst performing asset class (2019: +1.9%, 2018: -25.3%). Cash posted a total return of +5.4% in 2020 (2019: +7.3%, 2018: +7.2%).

SA Resources was once again the top performer in 2020, with a total return of +21.2% (2019: +28.5%, 2018: +15.5%, 2017: +17.9%, 2016: +34.2%). SA Industrials gained +12.0% (2019: +8.9%) and SA Financials lost a whopping 19.7% in 2020 (2019: +0.6%).

Industrial Metals (+62%), Platinum (+42%), Gold Mining (+37%) and Software (+34%) were the top performing equity sectors in 2020. Travel & Leisure (-58%), Chemicals (-49%), Electronics (-46%) and REIT's (-41%) were the worst performing equity sectors.

A weaker US dollar left the rand firmer in the fourth quarter of 2020. Nevertheless, the rand was still 4.7% weaker against the US dollar for 2020 after appreciating by 2.5% in 2019. The rand was 12.6% weaker against the euro at the end of 2020 after appreciating by 4.9% in 2019, while the rand extended losses against the pound in 2020 by a further 7.6% following 1.3% the year before. SA's five-year CDS spread widened by 26% during 2020 reflecting a worsening in SA trend growth and a deterioration in government finances, which led to further sovereign rating downgrades late in 2020.

On the news front, 3rd quarter GDP surged 66.1% q/q year, substantially beating market and SARB expectations (54.4%). The strong nominal and real GDP data could mean tax revenue could beat the MTBS projection. COVID19 cases jumped in December, passing the 1m mark with President Ramaphosa toughening restrictions in a 28 December speech, re-imposing the ban on alcohol sales, banning most public gatherings and moving the country to a level 3 lockdown. He also announced a vaccine will likely only be available in 2Q21.

In terms of company announcements, MTN was hit by regulatory uncertainty as Nigerian regulators announced on 14 December a suspension of SIM card sales for a subscriber registration database audit. AmPlats new production guidance announced on 11 December at its 2020 investor update was 15% above consensus estimates for 2021.

In December 2020, SA Equities had net foreign inflows of USD 0.35 billion whereas **SA bonds had a net inflow of USD 1.3 billion**. Meanwhile, Cumulative inflows into emerging market Bonds and

Equities year to date are now +\$19.8 billion and -\$0.4 billion respectively. FirstRand & Naspers were the most bought stocks by foreigners whereas Bidvest and Bidcorp were the most sold stocks.

Portfolio Performance

The portfolio returned 3.99% during the month, underperforming the Capped ALSI which returned 4.92%. Positive contributors to performance for the month included the fund's overweight positions in Impala, Northam & Sibanya as well as underweight position in Bidvest & Anheuser Busch. Negative contributors to performance included the funds overweight positions in Naspers, Prosus & Mondi as well as underweight positions in Discovery, Capitec & Redefine properties.

Cachalia Capital Investment team

From our Corner in the Sky