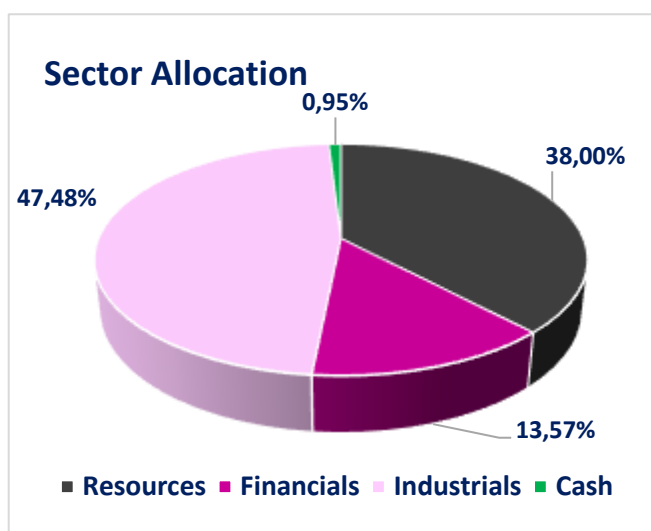


HOUSEVIEW FUND COMMENTARY

Fund Size: R289,176,839.44

Inception Date: October 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPN	Industrials	12.63%
2	AGL	Resources	10.90%
3	BHP	Resources	10.30%
4	CFR	Industrials	8.95%
5	PRX	Industrials	5.34%
6	IMP	Resources	5.00%
7	SSW	Resources	4.40%
8	MTN	Industrials	3.55%
9	SBK	Financials	3.32%
10	NHM	Resources	2.96%
	Total		67.34%



FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
Fund	-0.22%	2.54%	20.80%	16.17%	43.24%	43.20%	78.05%	8.92%
Benchmark	2.62%	6.38%	23.36%	17.58%	41.27%	32.32%	63.63%	7.57%

RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
0.97	4.32	20.42	20.70	32.45

RECENT TRANSACTIONS

The transactions for May 2021 are as follows:

Purchases

Telkom
MTN

Sales

Prosus

Market Performance

The All Share posted a +1.6% total return in May, underperforming Bonds which returned +3.7%. From being the best performing asset class in April, SA Listed Property slipped to be the worst performer in May with a total return of -2.9%.

Within equities, SA Financials returned +9.3% with solid performance coming from Banks: +11.9% (Absa +17%, Standard Bank +15%, Capitec +13%, Nedbank +10%, FirstRand +10%) and Finance & Credit Service +11% (Transaction Capital). Life Insurance and Non-life Insurance posted total returns of +7.8% and +5.3% respectively.

SA Industrials gained +1.6% over the month, with Technology (7.9%) once again a drag on the performance (Prosus -9.7%, Naspers -7.9%). Consumer Discretionary gained +12% in May. Retailers returned +16.4% (Mr Price +28%, Pepkor +24, TFG +15%, Truworths +14%, Woolworths +13%), Travel & Leisure +11.6% (TS Gaming +20%) and Personal Goods +11.1%. Telecommunications returned +8.2% in May (Telkom +21%) and Consumer Staples +4.1%, with total returns of +8.6% for Beverages (Distell +34.5%), +8.3% for Food Producers and +5.4% for Personal Care, Drug & Grocery Stores. Tobacco, however, posted a loss of 1.9% over the month. The Health Care and Industrials groups posted total returns of 3.3% and +2.6% respectively in May.

SA Resources posted a loss of 1.2% in May, its first negative monthly performance since October 2020, with the largest losses coming from Industrial Materials -11.6% (Sappi) and Chemicals -7.3% (Sasol). Precious Metals & Mining +1.5% had mixed performance over the month with gold stocks outperforming platinum (Gold Fields +27%, DRD Gold +20%, AngloGold +13%, Amplats -8%, Implats -8%, Northam -7%).

Year to date, Equities (ALSI) has outperformed with a total return of 16% followed by Property (SAPY) +15.4%. Bonds (ALBI) has posted a total return of +3.9%.

Within equities, SA Resources has posted a positive total return of +20.6% year to date and SA Financials have overtaken SA Industrials +15.1% vs +13.4%.

Small Caps are the current year-to-date leaders with a solid total return of +32.3% (Steinhoff +80%, Motus +73%, City Lodge +66%, Tsogo Sun Hotels +63%, Massmart +55%, Raubex +54%).

Mid-Caps have returned +18.9% and Large Caps +14.6%. Within this universe, all stocks have posted positive total returns year-to-date with the exception of Prosus (-11%), Discovery (-8%), DRTD Gold (-2%), BATS (-1%) and Quilter (-1%). Heavyweight Naspers has only managed to eke out a total return of just +1% year-to-date.

The rand strengthened to 13.72 against the US dollar (+5.30% month on month) from R 14.49. The currency strengthened against the euro at 16.78 (+3.60% month on month) and strengthened against the pound at 19.49 (+2.70% month on month). SA's five-year CDS spread narrowed by 10.3% during May 2021 by (22bps) from 213 to 191 points & a 5.40% narrowing since the beginning of the year.

On the news front, On Sunday 30 May, President Ramaphosa tightened COVID- related restrictions mainly on social gatherings & a tighter curfew. Additionally, the President clarified the delay in the rollout of the Sisonke trial (intended to vaccinate healthcare workers using J&J) > The more than 1 million vaccine doses produced in Aspen's plant in Gqeberha cannot be released until the FDA gives the green light on its risk audit in the US. To date, SA has administered 968 000 doses with 650 000 of these in May. A majority of vaccines are concentrated in Phase 2 rollout (using Pfizer) which is targeting the elderly (+60). The J&J jab is most preferred in rural areas due to its single-dose characteristic & ease of storage. On 20 May 2021, the MPC came to a unanimous decision to keep the key policy rate unchanged at 3.5% which was in line with consensus expectations.

In terms of company news, on 12 May, the board of directors of PRX & NPN announced that PRX intends to implement a voluntary exchange offer for Naspers N shares into Prosus N shares. The proposed transaction is expected to more than double the Prosus free float to 59.7%. SBK released its 4M'21 trading update, the groups RoE has recovered and is now above its implied cost of equity (FY20: 14.4%) & CLR for 4M'21 was marginally below the top of the groups previous through the cycle range of 70-100bps.

In May 2021, SA Equities had net foreign outflows of USD 0.32 billion whereas SA bonds had a net inflow of USD 0.66 billion. Meanwhile, Cumulative inflows into emerging market Bonds and Equities year to date are now +\$37.50 billion and +\$85.3 billion respectively. Capitec, Nedbank & Naspers were the most bought stocks by foreigners whereas Absa, AngloGold and Goldfields were the most sold stocks.

Portfolio Performance

The portfolio returned -0.22% during the month, underperforming the CAPI index which returned 2.62%. Positive contributors to performance for the month included the fund's overweight positions in Mr Price, Standard Bank & Woolworths as well as underweight position in Sappi & Amplats. Negative contributors to performance included the funds overweight positions in Naspers, Prosus & Impala as well as underweight positions in Goldfields, Capitec & AngloGold.

Cachalia Capital Investment team

From our Corner in the Sky