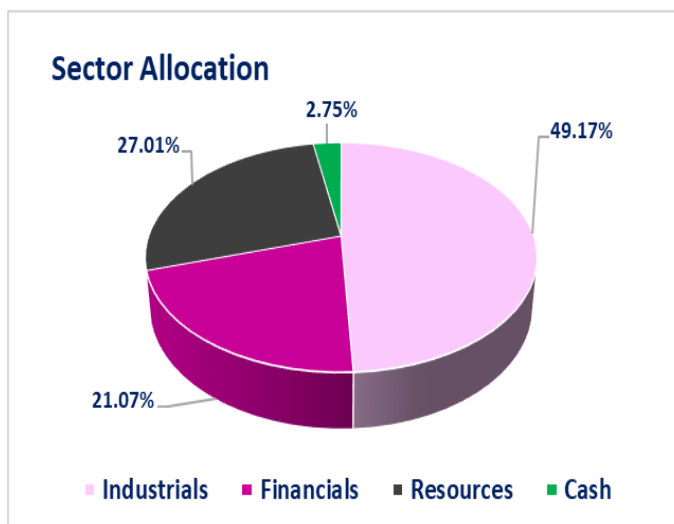


## HOUSEVIEW FUND COMMENTARY

**Fund Size:** 359,360,531.19

**Inception Date:** January 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPNJn.J	Industrials	9.29%
2	MTNJ.J	Industrials	7.14%
3	AGLJ.J	Resources	6.39%
4	PRXJn.J	Industrials	6.32%
5	IMPJ.J	Resources	5.20%
6	SBKJ.J	Financials	4.95%
7	BTIJ.J	Industrials	4.84%
8	FSRJ.J	Financials	4.41%
9	ABGJ.J	Financials	4.39%
10	CFRJ.J	Industrials	4.31%
	Total		57.26%



### FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
<b>Fund</b>	3.88%	-1.05%	-3.24%	-5.60%	-0.01%	39.00%	99.01%	8.10%
<b>Benchmark</b>	5.33%	-0.07%	-4.72%	-2.27%	3.44%	29.86%	79.87%	6.87%

### RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
1,02	3,67	17,78	17,03	41,55

### RECENT TRANSACTIONS

The transactions For October 2022 are as follows.

#### Purchases

Mondi, Richemont

#### Sales

None

## Market Performance

South African equities rallied in October with the ALSI recording a rand total return of +4.9%, it's best monthly performance in 12 months. SA Property (SAPY) rebounded sharply over the month to outperform all other asset classes with a total return of +11.0%. Bonds only managed a total return gain of 1.1%

Of the headline indices, Mid-Caps posted a total return gain of +8.1%. The Top 40 and Large Caps posted total returns of +4.9% and +4% respectively, while Small Caps returned +3.5% in October.

Within equities, SA Financials outperformed with a solid total return of +12.8%. The Financials industry group returned +13.2% with top performance coming from Banks +16.0% (Investec plc +27.50%, Investec +26.1%, Capitec +23.3%, Standard Bank +19.2%) and Finance & Credit Service +11.80% (TransCap). The Real Estate industry group returned +10.9% (Growthpoint +15.5%, Fortress A +15.4%, Redefine +14.9%, NEPI Rockcastle +14.1%).

Performance was mixed within SA Resources (+3.7%) in October with Basic Materials gaining 4.3% and Energy losing 6.1%. Industrial Materials (Sappi) was the top equity sector with a total return of +28.7%. This was followed by Chemicals +8.0% (Sasol +8.2%) and Precious Metals +5.4% (Harmony +19.6%, Amplats +13.4%, Implats +10.9%). Within the Energy space, Thungela lost 13.4% and Montauk lost 10.1%.

All industry groups within SA Industrials (+1.7%), with the exception of Technology (-15.6%), posted positive total returns over the month. The largest outperformance came from Health Care +11.0% (Pharmaceuticals +12.2%, Health Care Providers +10.3%), Industrials +9.6% (General Industrials +11.1%, Industrial transport +9.7%) and Consumer Staples +8.5% (Tobacco +11.5%, Beverages +9.3%, Drug & Grocery Stores +7.5%). Telecommunications returned +5.3%. Within Consumer Discretionary (+4.5%), Travel & Leisure returned +5.9%, Personal Care 5.1% and Retailers +2.8%.

In 2022 year to date, Cash has outperformed with a total return of +4.1%. Bonds have posted a small loss of 0.3% while Equities and Property have posted total return losses of 5.7% and 6.5% respectively. Year to date, SA Financials gained 6.9%, SA Resources lost 3% and SA Industrials lost 15.3%.

Top equity sector performance year-to-date has come from Oil, Gas & Coal (+114.4%), Alternative Energy (+62.7%), Tobacco (+29.7%), Industrial Materials (+24.1%), Chemicals (+22.2%) and Banks (+18.7%). The worst equity sector performance has come from Construction (-33.8%), Pharmaceuticals (-29.9%), Software & Computers (-28.6%) and Personal Goods (-23.7%).

The rand weakened to 18.29 against the US dollar (1.00% month on month) from R 18.11. The currency weakened against the euro at 18.13 (3.67% month on month) and weakened against the pound at 20.99 (4.79% month on month). SA's five-year CDS spread narrowed by 12.86% during September 2022 by (44.01bps) from 342.79 in September 2022 to 298.77 points. This represents a 98.77bps & 49.39% widening since the beginning of the year at 200.

On the news front, the Medium term Budget Policy statement from Finance Minister Godongwana was the key macro event. The downward revision to the current year deficit, from 6% of GDP to 4.9% was in line. The government tightened forecast for the out years to: consolidation to 4.1% in FY23/24, 3.7% in FY24/25 and 3.3% in FY25/26. Transnet and its unions agreed on a pay deal, ending a 2-week strike.

On the governance front, the government is chasing the end year deadline to enact bills to prevent FATF greylisting. The country has until 1Q23 to show substantial progress before a decision is made. South Africa scored moderate to low levels of effectiveness in the 10 requirement areas and low compliance levels in the 40 areas of technical compliance such as wire transfers, reporting of suspicious transactions and transparency, and the beneficial ownership of legal persons.

Foreign outflows of SA Equities slowed significantly in October with foreigners selling SA Equities to the value of R2.4 billion. Stripping out the dual-listed companies, there was foreign inflows to the value of R4.7 billion. MTN, Nedbank & Thungela were the most bought stocks by foreigners whereas Naspers, Vodacom and BidCorp were the most sold stocks.

## **Portfolio Performance**

The portfolio returned 3.88% during the month, underperforming the Capped SWIX index which returned 5.33%. Positive contributors to performance for the month included the fund's overweight positions in Investec, Impala & Aspen as well as underweight position in AngloGold & Thungela. Negative contributors to performance included the funds overweight positions in Prosus, Naspers & BHP Group as well as underweight positions in Capitec, Amplats & Glencore

## **Cachalia Capital Investment team**

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