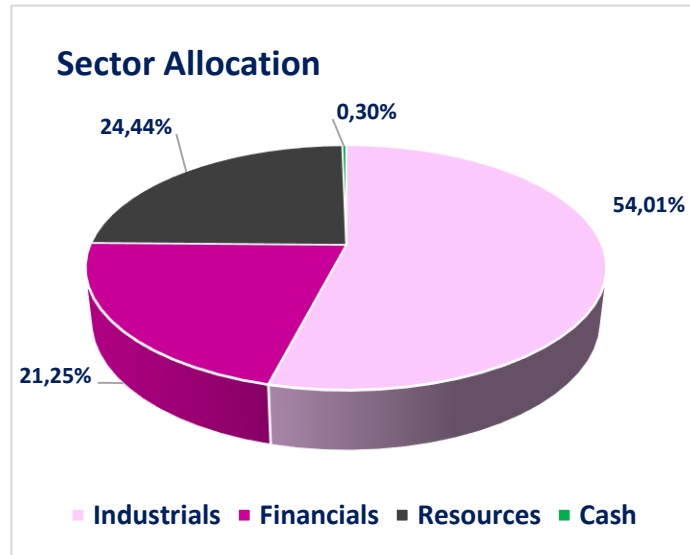


HOUSEVIEW FUND COMMENTARY

Fund Size: 398,574,404.23

Inception Date: January 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPNJn.J	Industrials	11.22%
2	PRXJn.J	Industrials	7.69%
3	MTNJ.J	Industrials	7.36%
4	CFRJ.J	Industrials	6.87%
5	AGLJ.J	Resources	6.46%
6	SBKJ.J	Financials	5.44%
7	BTIJ.J	Industrials	4.60%
8	IMPJ.J	Resources	4.53%
9	ABGJ.J	Financials	4.25%
10	FSRJ.J	Financials	4.12%
	Total		62.52%



FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
Fund	-3.10%	2.83%	14.92%	5.27%	3.10%	67.30%	136.23%	10.22%
Benchmark	-2.32%	1.53%	12.73%	4.48%	3.40%	60.35%	110.01%	8.76%

RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
1,08	4,47	18,95	17,13	39,81

RECENT TRANSACTIONS

The transactions for February 2023 are as follows.

Purchases

None

Sales

None

Market Performance

Following the strong start to 2023, the All Share posted a total return decline of 2.2% in February. SA Property and the All Bond posted marginal losses of 0.7% and 0.9% respectively. Of the headline indices, Small Caps managed to eke out a small total return gain of 0.8%, while Mid-Caps lost 0.2% and Large Caps lost 2.8% in February.

Within equities, SA Financials were the top performers, returning +2.3% in February. Top sector performance came from Closed End Investments (ARC), returning 6.8%, followed by Life Insurance +5.6% (Discovery +8.5%, Sanlam +6.3%, Momentum +5.2%) and Investment Banking +3.2% (Reinet +10.2%, Ninety One plc +8.7%, Ninety One +7.0%). The worst sector performance came from Finance & Credit Services (Transcap), down 9.6% in February.

SA Industrials returned +1.6% over the month with top sector performance coming from Industrial Support Services +18.6% (Hudaco), Industrials Transport +10.6% (Super Group +25.3%), Health Care Providers +7.8% (LifeHC +15.3%) and Construction +7.7% (PPC +19.6%, Raubex +19.3%). The Industrial Rand Hedges also showed solid performance over the month with Beverages returning +5.7%, Personal Goods +5.5% and Tobacco +5.5%. Of the major equity sectors, the worst performance within SA Industrials came from Pharmaceuticals (-5.5%), Retailers (-4.7%) and Software & Computers (-2.9%).

SA Resources shed a large 12.5% in February with negative total return performance across the board, the worst being Precious Metals & Mining -15.2% (Amplats -20.8%, Sibanye -18.2%, Gold Fields -15.5%, Implats 14.8%). Chemicals lost 12.3% (Sasol -13.7%) and Industrial Metals & Mining lost 11.3% (Anglo -13.1%, African Rainbow -10.3%, Kumba -9.5%).

In 2023 year-to-date, the ALSI has outperformed with a total return of +6.5% followed by the ALBI (+2.1%) and Cash (+1.1%). SA Property has posted a total return loss of 1.7%. Year-to-date, SA Industrials has the largest outperformance with a total return of +14.6%. SA Financials has posted a total return of +6.4% while SA Resources lags with a year-to-date of 7.0%.

Top equity sector performance year-to-date has come from Personal Goods.

The rand weakened to 18.35 against the US dollar (5.50% month on month) from R 17.40. The currency weakened against the euro at 19.40 (2.70% month on month) and weakened against the pound at 22.05 (2.90% month on month). SA's five-year CDS spread widened by 1.10% during February 2023 by (2.90bps) from 251.93 to 254.81 points and 1.70% & (4.30bps) from the beginning of 2023 at 250.51

On the news front, Finance Minister Enoch Godongwana delivered his 2nd budget speech and addressing a long-standing issue on the Eskom debt. The FY'23/24 budget was broadly in line with best-case scenario assumptions for revenue, spending restraint and it frontloaded the Eskom debt swap. Eskom support of R254bn is a hybrid approach of equity support and a R70bn debt assumption. Yet, removing R89bn of prior program reduces effective support to R165bn (the lower end of the expected range). The treasury support is targeted at raising Eskom's investment in transmission and distribution and precludes it from investing in new generation.

On Friday 24th February, South Africa was officially greylisted by the FATF. The decision came on the back of South Africa being unable to address deficiencies in combating illicit flows and money laundering. The country has up until 2025 to address these concerns before the next review. Former Eskom CEO, Andre de Ruyter, levelled corruption allegations against the government in a TV interview.

Foreigners were sellers of SA equities in February to the value of R7.4bn. Even stripping out the dual-listed companies, there were outflows to the value of R1.3bn. However, if we stripped out the foreign selling of Naspers (-R3.5bn), there should have been inflows to the value of R2.2bn over the month. Ex the dual-listed's, inflows to the value of R3.9bn came from SA Financials. Non-Life Insurance saw net inflows of R2.2bn with foreigners adding OUTsurance. Within the Financials space, foreigners were smaller buyers of Sanlam (R0.5bn), Absa (R0.5bn), Growthpoint (R0.4bn), Firststrand (R0.2bn) and Momentum (R0.2bn).

In February, SA Resources saw selling of R2.6bn excluding the dual listed's. Precious Metals had net outflows of R1.7bn with foreigners selling AngloGold (-R2.7bn), Gold Fields (-R0.8bn) and Implats (-R0.7bn) but buying Implats (R1.0bn), Sibanye (R0.9bn) and Northam (R0.4bn). Foreigners were also sellers of Chemicals (-R0.7bn) and Energy (-R0.3bn) over the month.

SA Industrials saw net outflows of R2.7bn in February and only net inflows of R0.8bn if we also excluded the Naspers outflows. Other outflows came from Drug & Grocery Stores (-R3.9bn), with foreigners selling Spar (-R1.9bn), Pick n Pay (-R1.0bn) and Shoprite (-R0.8bn).

Outsurance, Woolworths & Pepkor were the most bought stocks by foreigners whereas Naspers, AngloGold and Spar were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned -3.10% during the month, underperforming the Capped SWIX index which returned -2.32%. Positive contributors to performance for the month included the fund's overweight positions in Multichoice, BTI & Standard Bank Group as well as underweight position in Goldfields & Amplats. Negative contributors to performance included the funds overweight positions in BHP Group, Impala & Sibanye Stillwater as well as underweight positions in Discovery, BidCorp & Reinet

Cachalia Capital Investment team

From our Corner in the Sky