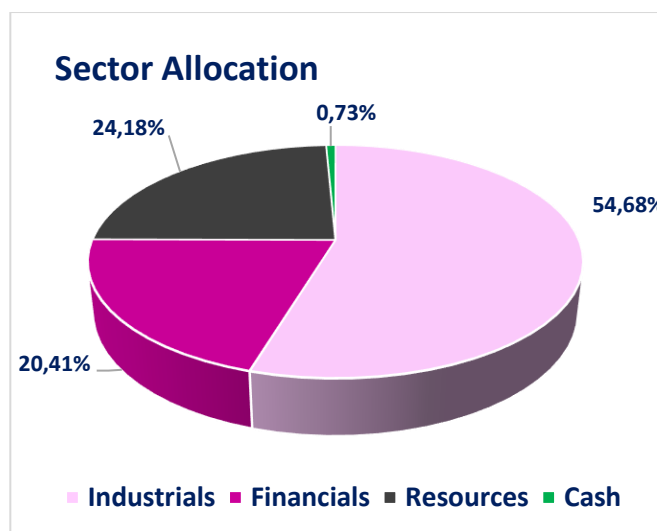


## HOUSEVIEW FUND COMMENTARY

**Fund Size:** 385,909,693.89

**Inception Date:** January 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPNJn.J	Industrials	11.83%
2	PRXJn.J	Industrials	8.34%
3	CFRJ.J	Industrials	7.18%
4	MTNJ.J	Industrials	6.83%
5	AGLJ.J	Resources	6.17%
6	SBKJ.J	Financials	5.34%
7	IMPJ.J	Resources	4.52%
8	BTIJ.J	Industrials	4.20%
9	BHGJ.J	Industrials	4.10%
10	ABGJ.J	Financials	4.07%
	Total		62.57%



### FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
<b>Fund</b>	-3.13%	1.97%	14.91%	1.97%	2.26%	89.27%	128.83%	9.82%
<b>Benchmark</b>	-1.98%	2.42%	14.92%	2.42%	-0.11%	85.51%	105.86%	8.52%

### RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
1,09	4,27	19,87	17,86	42,06

### RECENT TRANSACTIONS

The transactions for March 2023 are as follows.

#### Purchases

None

#### Sales

None

## Market Performance

The JSE All Share index posted a total return decline of 1.3% in March. Large Caps were mostly flat (-0.3%), while Small Caps and Mid Caps shed 2.2% and 4.4% respectively. SA Listed Property lost 3.4% over the month. Bonds rallied to post a positive total return of 1.3% over the month.

Within equities, SA Resources was the top performer, returning +2.5% in March, with the Precious Metals & Mining equity sector gaining 18.3% as the gold stocks benefitted from the banking crises (Gold Fields +44.8%, AngloGold +40.2%, Harmony +31.1%). Alternative Energy (Montauk -23.4%) was the worst performing equity sector within Resources, followed by Chemicals -8.1% (Sasol -8.6%) and Oil Gas & Coal -6.6% (Exxaro -7.2%, Thungela -5.4%).

SA Industrials (-0.8%) saw mixed performance over the month. Top equity sector performance came from Pharmaceuticals +27.1% (Aspen), Travel & Leisure +10.0% (Sun International +34.5%), and Beverages +7.5% (AB Inbev +6.1%). Heavyweight sectors Software & Computers and Personal Goods each returned 2% in March. The worst sector performance within SA Industrials came from Telecom Service Providers (-10.3%), Retailers (-9.7%), Tobacco (-9.0%), Food Producers (-8.9%), Construction (-6.7%) and Industrial Transport (-6.4%).

SA Financials shed 6.2% in March with negative total return performance across the board, with the exception of Closed End Investments (ARC +10.1%). Finance & Credit Service (Transcap -59.1%) was the worst of the Financials. This was followed by Banks (-6.8%) and Life Insurance (-5.4%).

In Quarter 1 2023, the ALSI outperformed with a total return of +5.2% followed by the ALBI (+3.4%) and Cash (+1.8%). SA Property posted a total return loss of 5.1%.

SA Industrials had the largest outperformance over Q1 2023 with a total return of +13.6%. SA Financials posted a marginal loss of 0.3% while SA Resources lagged with a loss of 4.7%.

Of the major equity sectors, top performance in Q1 came from Pharmaceuticals (+32.5%), personal Goods (+27.0%), Software & Computers (+16.9%), Beverages (+14.5%) and Life Insurance (+13.3%).

The worst equity sector performance came from Finance & Credit Services (-61.5%), Alternative Energy (-28.1%) Oil, Gas & Coal (-20.6%), Automobiles (-9.1%) and REIT's (-8.5%).

Of the Large & Mid cap stocks, Gold Fields (+37.1%), Aspen (+34.4%), AngloGold (+32.0), Richemont (+27.0%) and Harmony (+24.5%) were the top performers over Q1. The worst performance came from Transcap (-61.5%), Amplats (-30.7%), Thungela (-29.5%), Montauk (-28.1%) and Pick n Pay (-25.6%)

The rand strengthened to 17.78 against the US dollar (3.11% month on month) from R 18.35. The currency strengthened against the euro at 19.26 (0.72% month on month) and strengthened against the pound at 21.89 (0.72% month on month). SA's five-year CDS spread widened by 5.95% during March 2023 by (15.17bps) from 254.81 to 269.98 points and 7.77% & (19.47bps) from the beginning of 2023 at 250.51

On the news front, at its 30 March meeting, the SARB surprised with a 50bp hike (vs 25bps market expectations). The baseline forecast revisions were largely as expected as higher food inflation lifted the 2023 headline inflation forecast to 6% (from 5.4%) with 2024 projection only a tick higher at 4.9%. Fourth quarter GDP was released, well below expectations, -1.3% quarter on quarter versus a consensus of -0.4% and down to 0.9% year on year for the 4<sup>th</sup> quarter and 2% for the full year 2022. The President appointed a new Minister of Electricity, Kgosientsho Ramokgopa, whose responsibility is to end load-shedding & the public sector unions reached a wage agreement with a 7.5% increase; Treasury has made it clear that government departments will have to find the extra R37.4bn needed to fund the deal.

March was mostly about results with a big beat from Bidvest (11.8%), one of the few load-shedding winners. Aspen (+33.5%) raised its guidance on the utilisation of its sterile fill capacity which should drive earnings come 2H23 and in the coming years. The golds were 3 of the 4 best stocks in MSCI SA and MSCI EMEA: Gold Fields (+46.9%), AngloGold (+43.8%) and Harmony Gold (+35.6%). A few stocks that missed numbers badly were down more than 10%: Sasol, MTN, Multichoice & Woolworths.

## **Portfolio Performance**

The portfolio returned -3.13% during the month, underperforming the Capped SWIX index which returned -1.98%. Positive contributors to performance for the month included the fund's overweight positions in Aspen, BHP Group & Prosus as well as underweight position in Transaction Capital & Glencore. Negative contributors to performance included the funds overweight positions in MTN, Woolworths & BTI as well as underweight positions in Goldfields, AngloGold & Harmony

## **Cachalia Capital Investment team**

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