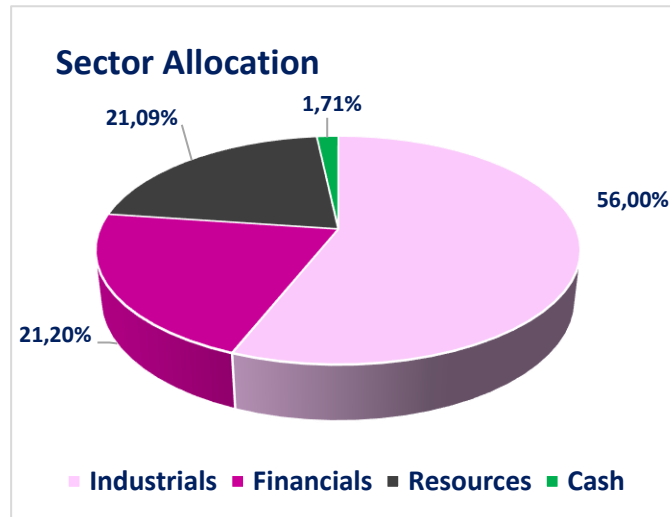


HOUSEVIEW FUND COMMENTARY

Fund Size: 341,209,782.38

Inception Date: January 2014

Top Ten Holdings			
	Shares	Sector	Weight
1	NPNJn.J	Industrials	12.10%
2	PRXJn.J	Industrials	8.20%
3	CFRJ.J	Industrials	8.05%
4	MTNJ.J	Industrials	7.33%
5	AGLJ.J	Resources	5.60%
6	SBKJ.J	Financials	5.44%
7	FSRJ.J	Financials	4.44%
8	BTIJ.J	Industrials	4.16%
9	BHGJ.J	Resources	4.07%
10	APNJ.J	Industrials	3.93%
	Total		63.32%



FUND PERFORMANCE

PERFORMANCE								
	1 month	3 Months	6 Months	Y-t-d	1 Year	3 Years	Since Inception	Since Inception (Annualized)
Fund	3.39%	1.33%	-2.50%	5.91%	13.69%	52.68%	128.65%	9.72%
Benchmark	4.12%	1.82%	0.82%	7.84%	14.79%	55.63%	106.62%	8.48%

RISK ANALYSIS

12 MONTH RISK METRICS				
Beta	Tracking error	Standard Deviation (fund)	Standard Deviation (Benchmark)	Active share
1,08	4,43	17,78	15,95	41,88

RECENT TRANSACTIONS

The transactions for July 2023 are as follows.

Purchases

None

Sales

None

Market Performance

The JSE All Share index posted a rand total return gain of 4.0% in July. Mid Caps outperformed, returning +5.8%, while Large Caps & Small Caps returned +3.6% and +1.4% respectively. SA Listed Property and the All Bond index each posted a total return of +2.3% over the month.

Within equities, SA Financials was once again the top performer, returning +7.1% in July. The largest gains came from Finance & Credit Service: +16.1% (Transaction Capital) and Non-Life Insurance: +10.6% (Outsurance +13.8%). The Life Insurance sector returned +9.6% and the Banks sector returned +8.0%.

SA Resources returned +3.2% over the month. Within the Energy group (-2.4%), Alternative Energy gained +17.0%, but the Oil, Gas & Coal sector lost 4.2%. Within Basic Materials group (+3.4%), Chemicals and Precious Metals returned +5.8% and +5.1% respectively, while Industrial Metals only managed a total return gain of +1.7% and Industrial Materials lost 1.3% in July.

SA Industrials returned +2.6% with top sector performance coming from the Retailers (+12.1%), Drug & Grocery Stores (+7.1%) and General Industrials (+6.6%). The largest underperformance came from the rand hedges: Personal Goods (-10.1%), Beverages (-3.6%) and Tobacco (-2.0%)

Year-to-date, equities have outperformed all asset classes with a total return of +10.1%. Cash has returned +4.4% and bonds has gained +4.2%, while property has lost 2.2%.

Within equities, the largest year-to-date outperformance has come from SA Industrials with a total return of +20.5%, followed by SA Financials (+12.4%). SA Resources has, however, recorded a loss of 7.7%.

Consumer Discretionary (+31.6%), Health Care (+25.8%) and Technology (+23.3%) are the top performing industry groups year-to-date followed by Industrials (+15.4%), Financials (+14.7%). Telecommunications (+5.5%) and Consumer Staples (+4.1%). The largest underperformance has come from Energy (-28.3%), Basic Materials (-6.7%) and Real Estate (-1.4%).

Of the major equity sectors, Pharmaceuticals: +38.9% (Aspen) is the top performer year to date, followed by Life Insurance: +33.1% (Sanlam +42.0%, Old Mutual +29%, Discovery +28%), Personal

Goods +29.2% (Richemont) and Industrial Transport: +23.6% (Textainer +36%, Super Group +30%). Finance & Credit Services: -79.5% (Transaction Capital) is the worst performing equity sector year-to-date, followed by Automobiles: -30.40% (Metair), Oil, Gas & Coal: -29.7% (Thungela -39%, Exxaro -20.0%) and Industrial Materials: -17.50% (Sappi).

The rand strengthened to 17.85 against the US dollar (4.20% month on month) from R 18.64. The currency strengthened against the euro at 19.64 (4.20% month on month) and strengthened against the pound at 22.90 (4.20% month on month). SA's five-year CDS spread narrowed by 13.90% during July 2023 by (36.70bps) from 264.16 to 227.50 points and 9.20% & (23.00 bps) from the beginning of 2023 at 250.51

On the news front, at its 20 July meeting, the SARB held the repo rate steady at 8.25% in a tight decision of a hold versus tightening. The near-term inflation outlook has recently improved, though fiscal risks have also risen. The June fiscal data showed a drop in corporate tax receipts and a 9.7% oya decline in total revenue, significantly undershooting Treasury's Budget projections. Economists note that this should widen the fiscal deficit to 6.5% this year, from 4.5% last year (Treasury: -5%, including Eskom support).

Within SA, July saw Eskom avoid its worst-case scenario of Stage 8 power cuts, cementing the view that the worst case scenario has been avoided this winter. The increased usage of diesel, as well as increased rooftop solar installations (4.4GW installed in June vs c. 2GW 12 months prior) has eased the strain on Eskom.

On SA Corporates, sales/operational updates on Food Retailers were mixed. Pick n Pay group sales lagged estimates on a 20 week basis. However, an improving backdrop on the power crises will ease OPEX pressures. Shoprite on the other hand delivered solid growth on a 52 week basis, in line with consensus. Results in the mining space continue to trickle in, with the most notable of these being Anglo American printing earnings above consensus estimates. However, operational challenges at Kumba over rail/Transnet remain.

Foreigners were smaller sellers of SA Equities in July to the value of R8.6bn after being large sellers in May and June. Stripping out the dual-listed companies there was foreign buying to the value of R3.5bn. SA Industrials saw inflows of R2.9bn and SA Financials inflows of R1.3bn, while SA Resources had R0.7bn of outflows.

ABSA, Implats & MTN were the most bought stocks by foreigners whereas Goldfields, Nedbank and AngloGold were the most sold stocks by foreigners.

Portfolio Performance

The portfolio returned 3.39 % during the month, underperforming the Capped SWIX index which returned 4.12%. Positive contributors to performance for the month included the fund's overweight positions in Northam, Sibanye & Mr Price as well as underweight positions in Anheuser Busch & AngloGold. Negative contributors to performance included the funds overweight positions in Prosus, Richemont & BHP Group as well as underweight positions in Outsurance, Sanlam & Discovery

Cachalia Capital Investment team

From our Corner in the Sky