

The end of June marks the fourth anniversary of the launch of the Coronation Market Plus Fund. It has delivered an annualised return of 24.3% since inception and is ranked first in its category since inception. This is a very pleasing performance through what has been an extremely volatile period and once again confirms the strategy of offering a well-managed flexible fund which can take advantage of all the asset classes available.

The last quarter was a positive one for all asset classes. The equity markets delivered 7.2%, listed property 7.9%, bonds 4.7% and cash 1.9%. The fund delivered an excellent return of 6.8% for the same period beating the balanced benchmark of 6.6%. Our overweight equities position helped us even though we were underweight resources which were the main driver of equity performance for the index. Our large weightings in strong domestic performers such as Telkom, Naspers and Absa ensured that our equity performance remained very strong.

Our underweight position in bonds and overweight cash did not pay off, despite evident overvaluation in the bond market. The prices have been closely following the US market which appreciated during the period. We remain underweight bonds given our more bearish outlook on inflation for the year ahead.

We have consistently viewed the commodity sector as overvalued (with a few exceptions) as we believe on a normalised basis the valuation multiples are much too high. While we do expect the rand to be weaker from these levels we do not expect it to weaken enough to make any of these commodity shares look attractive as a long-term investment. Sasol and Impala are the two exceptions to this view where we continue to hold positions given the relatively undemanding valuations.

To take advantage of our view of a weaker currency we have maintained our holdings in non-commodity rand hedges such as SABMiller, Richemont and Remgro. However we still firmly believe in the local economy and have a large weighting in local industrial and financial shares.

Looking forward we remain convinced that equities will outperform over the longer term and have retained an overweight position in equities. It has however reduced slightly from last quarter due to some profit taking on some of our shares which outperformed. The underlying earnings growth remains strong and given interest rate forecasts we do not see too much likelihood that this will change any time soon. We have reduced our property weighting into some of the recent strength although the returns in this sector still look more attractive than bonds.

Overall the fund remains well positioned to deal with the volatile markets and we still firmly believe our objective to generate real growth in capital is attainable in the medium term.

Neville Chester
Portfolio Manager

CORONATION MARKET PLUS FUND

as at 30 June 2005

CORONATION
FUND MANAGERS

Fund category	Domestic Asset Allocation Flexible
Launch date	2 July 2001
Portfolio manager	Neville Chester
Fund size	R469.09 million
NAV	2173.71 cents
Annual management fee	1.25% (ex VAT)
Performance fee	20% (above hurdle, capped at 2.5% p.a.)

Benchmark	Composite Benchmark (65% equity, 25% bonds, 10% cash)
Performance fee hurdle	Composite Benchmark + 2%
Fund description	Invests across various South African asset classes, with a bias towards the equity market over the cycle with the aim of achieving real returns over the long term.

ASSET AND SECTOR ALLOCATION

Sector	30 Jun 2005	31 Mar 2005
Domestic Assets	100.00%	100.00%
Equity	78.62%	81.61%
Resources	9.09%	7.70%
Basic Industries	1.58%	1.03%
General Industrials	1.42%	1.32%
Cyclical Consumer Goods	2.93%	1.98%
Non Cyclical Consumer Goods	7.35%	8.56%
Cyclical Services	19.34%	21.69%
Non Cyclical Services	6.58%	7.96%
Financials	22.84%	24.66%
Information Technology	0.00%	0.29%
Specialist Securities	7.49%	6.42%
Listed Property	9.41%	10.18%
Fixed Interest	1.88%	4.21%
Cash	10.09%	4.00%
International Assets	0.00%	0.00%

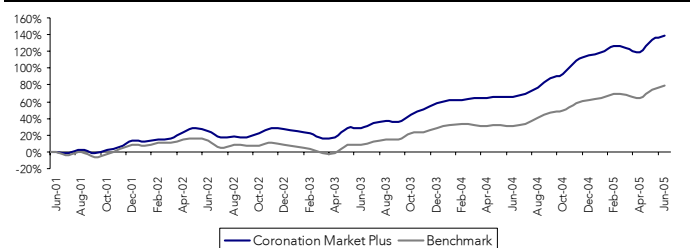
PERFORMANCE & RISK STATISTICS

	Fund	Benchmark
Year to date	10.93%	10.38%
Latest 12 months	44.01%	36.88%
Latest 36 months (annualised)	24.33%	16.58%
Since inception (annualised)	24.32%	15.71%
Annual deviation since inception	11.80%	11.81%
Sharpe ratio	1.25	0.52
Maximum gain	36.32%	31.00%
Maximum drawdown	-9.98%	-10.44%
Positive months	70.83%	66.67%

TOP 10 SHARE HOLDINGS

	% of Fund
Telkom SA Ltd	5.34%
Investec plc – Non Red Cum Pref	4.87%
Liberty International plc	4.78%
Standard Bank Group Ltd	4.60%
Remgro Ltd	4.38%
SABMiller plc	4.28%
Naspers Ltd – N ordinary shares	3.82%
Growthpoint Properties Ltd	3.50%
Bidvest Group Ltd	3.47%
Absa Group Ltd	3.20%
Total	42.24%

CUMULATIVE PERFORMANCE SINCE INCEPTION



INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2005	01/04/2005	0.29	0.12	0.17
30/09/2004	01/10/2004	21.62	13.22	8.40
31/03/2004	01/04/2004	23.81	13.53	10.28
30/09/2003	01/10/2003	24.86	13.41	11.45

ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
2004	35.91%	26.41%	9.50%
2003	24.90%	18.15%	6.75%
2002	11.40%	-0.37%	11.76%
2001	13.87%	9.15%	4.73%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Fund 2005	1.69%	3.26%	-1.11%	-1.82%	6.36%	2.30%						
B'mark 2005	0.93%	3.32%	-1.66%	-2.28%	6.29%	2.72%						
Fund 2004	1.86%	0.41%	1.21%	0.48%	0.71%	-0.06%	1.93%	4.83%	5.97%	2.83%	8.06%	3.18%
B'mark 2004	2.79%	0.60%	-0.20%	-0.83%	0.31%	-0.70%	1.56%	5.92%	4.32%	1.52%	6.18%	2.52%

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