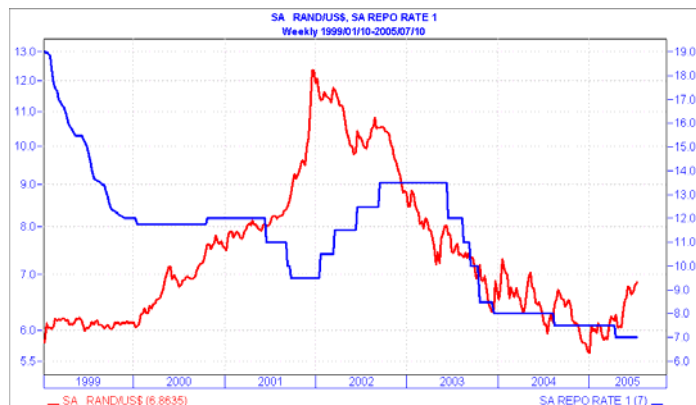


The quarter will be remembered by yet another 0.5% cut in short-term interest rates (the repo rate) by the Monetary Policy Committee (MPC) at the South African Reserve Bank (SARB). The repo rate was cut to 7% from 7.5% following a fall in the inflation rate as measured by CPIX to historical lows of 3.1% in February 2005. With bank NCD rates at between 6.85% – 7.10%, SA short-term interest rates are at all time lows (blue line in chart below). The MPC left the repo rate unchanged when it met in June.



The repo rate cut was unexpected by all economic analysts polled by Reuters and Bloomberg, as by then economic indicators showed that inflation had most likely bottomed and would begin to rise. This sentiment was echoed by the SARB in its Monetary Policy Statement where it showed a revised inflation forecast of 5.25% for early 2006.

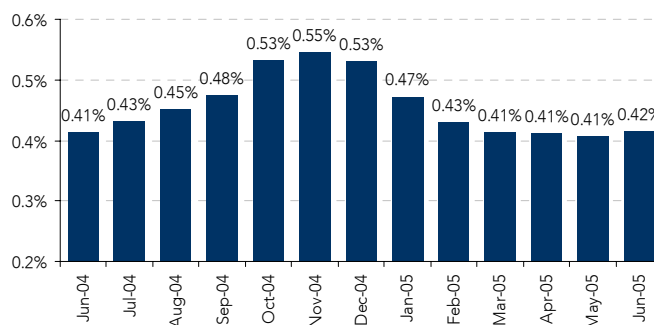
The SA FRA (Forward Rate Agreement) curve, which gives us an idea of what the market in general expects of short-term interest rates continues to price in a 50% chance of a further 0.5% repo rate cut over the next few months despite a weaker currency this year (see red line in chart above).

Second-quarter bond returns, as measured by the All Bond Index, were 5.29% this time outperforming cash which showed a 1.73% return. This was in contrast to the first quarter where cash outperformed bonds, returning 1.77% versus 0.81% respectively. Given the risk differentials, one would expect bonds to outperform cash over the longer term.

The performance of bonds for the quarter not only shows the impact of the April interest cut, but also the turnaround in market sentiment. The markets have changed significantly during the course of the quarter after the interest rate cut: becoming more bullish. This sentiment was sustained by the fall in US Treasuries, accompanied by relatively high levels of the global risk appetite, strong foreign purchases of SA bonds and the SARB's view that medium-term inflation faced few threats.

However, the market recently has been finding it difficult to show clear direction. The currently weaker currency, somewhat more volatile US Treasuries and stronger economic statistics seem to suggest that we have seen the last of the interest rate cuts. We are of the opinion that lowering the repo rate further under these circumstances would be adding fuel to the already roaring fire.

The Coronation Money Market Fund returned 1.81% for the quarter and 7.86% for the last 12 months, outperforming its benchmark by 42 basis points for the year. The chart below shows the fund's outperformance of the 3-month STeFI over time.



Our investment strategy for the Coronation Money Market fund remains unchanged – we are conservatively positioned, with a short to neutral duration for this year. The fund seeks to maximise interest yield for investors whilst ensuring that capital is protected.

Tania Miglietta
Portfolio Manager

CORONATION MONEY MARKET FUND

as at 30 June 2005



Fund category	Domestic Fixed Interest Money Market
Launch date	1 October 1999
Portfolio manager	Tania Miglietta
Fund size	R1.11 billion
NAV	100.00 cents
Annual management fee	0.30% (ex VAT)
Initial fee	0.00%

Benchmark	Alexander Forbes Short Term Fixed Interest (STeFI) Index
Fund description	To outperform fixed deposits and call accounts, while ensuring capital preservation, stability and liquidity.

ASSET ALLOCATION

Maturity Band	30 Jun 2005	31 Mar 2005
0 – 3 months	74.97%	75.91%
4 – 6 months	17.41%	14.85%
7 – 9 months	6.26%	4.50%
10 – 12 months	1.36%	4.74%

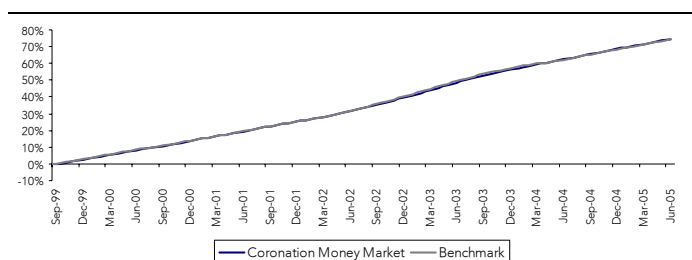
PERFORMANCE & RISK STATISTICS

	Fund	Benchmark
Year to date	3.53%	3.53%
Latest 12 months	7.40%	7.44%
Latest 36 months (annualised)	9.88%	10.04%
Latest 60 months (annualised)	10.06%	10.12%
Since inception (annualised)	10.17%	10.27%
Annual deviation since inception	0.51%	0.57%
Sharpe ratio	-0.88	-0.60
Maximum gain	74.49%	78.44%
Maximum drawdown	0.00%	0.00%
Positive months	100.00%	100.00%

ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
2004	7.87%	7.78%	0.09%
2003	11.96%	12.27%	-0.31%
2002	11.36%	11.77%	-0.41%
2001	10.36%	10.05%	0.31%
2000	10.58%	10.55%	0.03%
1999	2.68%	2.98%	-0.30%

CUMULATIVE PERFORMANCE SINCE INCEPTION



YIELDS FOR THE LAST FOUR PERIODS

Declaration	Payment	Yield
31/05/2005	01/06/2005	7.04%
30/04/2005	01/05/2005	7.13%
31/03/2005	01/04/2005	7.32%
28/02/2005	01/03/2005	7.42%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Fund 2005	0.61%	0.56%	0.60%	0.55%	0.60%	0.56%						
B'mark 2005	0.61%	0.55%	0.61%	0.59%	0.58%	0.55%						
Fund 2004	0.67%	0.61%	0.72%	0.64%	0.66%	0.62%	0.61%	0.65%	0.59%	0.59%	0.63%	0.61%
B'mark 2004	0.63%	0.59%	0.64%	0.65%	0.65%	0.63%	0.63%	0.67%	0.61%	0.61%	0.58%	0.60%