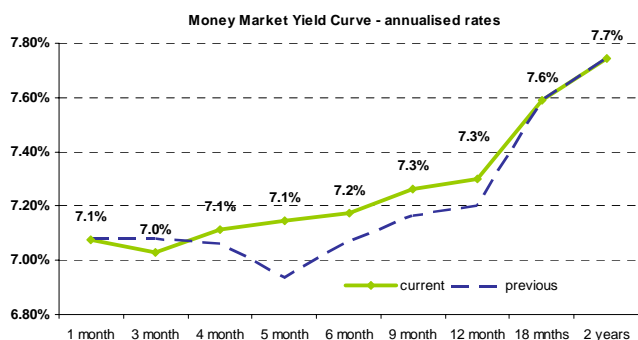


The Monetary Policy Committee (MPC) left the repo rate unchanged at 7% during August, stating that it is "inappropriate at this stage" to change the monetary policy stance in view of the current risks to the inflation outlook, the most obvious risk being the oil price. However, the MPC also indicated that members were watching the current round of wage negotiations for signs that the downward trend in wages would continue, and noted that strong levels of expenditure in South Africa continued.

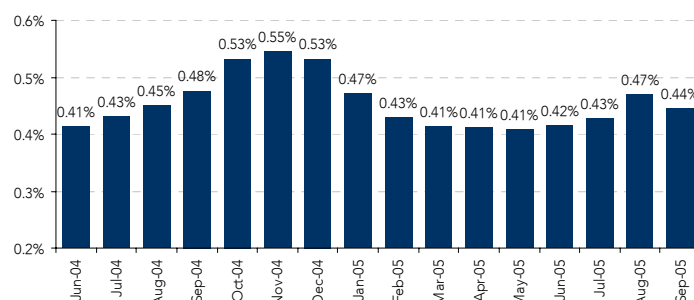
The money market yield curve (as seen in the graph below) has moved higher during the quarter, no longer showing expectations for short rates to fall but rather pricing in the first of the repo rate hikes. The two-year NCD at 7.7% suggests that interest rates will be 1% higher by September 2007. Just a few weeks ago money market yield curves were factoring in interest rate reductions, given the strength in the currency. With the surging oil price, partly due to damage done to US oil supplies and refineries caused by Hurricane Katrina, sentiment did an about-turn.



Cash outperformed bonds again this quarter, as they did in the first quarter of this year, returning 1.71% versus the All Bond Index which returned 1.10%. This was expected, as the risk of holding bonds is increasing as inflation becomes more of a concern.

Domestic macroeconomic data for August (released in September) showed that inflation is rising. Inflation at the consumer (CPIX 4.8%) and producer (PPI 4.2%) levels were largely in line with expectations but higher than we have seen in recent months. Most analysts for the first time are conceding that there is no longer a chance of further interest rate easing given these numbers and that indeed the first repo rate hikes are visible on the horizon.

The Coronation Money Market Fund has returned 7.24% for the last 12 months, outperforming its benchmark by 7 basis points for the year. It has shot up in the relative rankings as calculated by Micropal with the September 2005 figures showing a position of number 1 out of 20 for the year to date. Furthermore, the chart below shows the fund's outperformance of the 3-month STeFI over time.



The fund has taken on substantial new investments during the quarter, with the fund now R1.3 billion in size.

**Tania Miglietta**  
Portfolio Manager

Fund category	Domestic Fixed Interest Money Market
Launch date	1 October 1999
Portfolio manager	Tania Miglietta
Fund size	R1.3 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 Sep 2005	30 Jun 2005
0 – 3 months	77.58%	74.97%
4 – 6 months	10.91%	17.41%
7 – 9 months	6.75%	6.26%
10 – 12 months	4.76%	1.36%

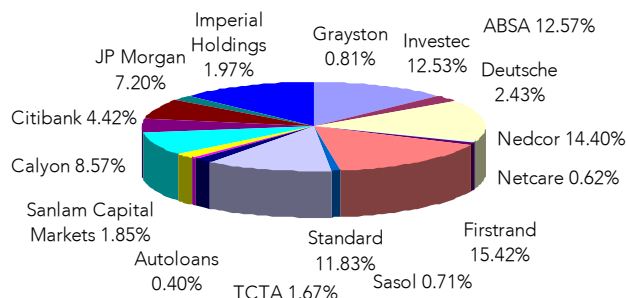
### PERFORMANCE & RISK STATISTICS

	Fund	Benchmark
Latest 12 months	7.24%	7.17%
Latest 36 months (annualised)	9.45%	9.55%
Latest 60 months (annualised)	9.88%	9.94%
Since inception (annualised)	10.03%	10.12%
Annual deviation since inception	0.53%	0.59%
Sharpe ratio	-0.83	-0.58
Maximum gain	77.47%	81.57%
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%

### CREDIT EXPOSURE



### YIELDS FOR THE LAST FOUR PERIODS

Declaration	Payment	Yield
30/09/2005	01/10/2005	6.94
31/08/2005	01/09/2005	7.11
31/07/2005	01/08/2005	6.74
30/06/2005	01/07/2005	7.03

### PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Fund 2005	0.61%	0.56%	0.60%	0.55%	0.60%	0.56%	0.53%	0.62%	0.55%				5.30%
B'mark 2005	0.61%	0.55%	0.61%	0.59%	0.58%	0.55%	0.56%	0.57%	0.55%				5.27%
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%	7.87%
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%	7.78%