

The Coronation Top 20 Fund appreciated by 18% for the third quarter of 2005. The FTSE/JSE Top 40 Index returned 20% over the same period. Over the 12 month period to 30 September 2005, the fund outperformed the index by more than 13% returning 59.8% against the index return of 46.6%.

Once again Sasol contributed the most significant return among all holdings for the quarter (+36%) and remains the largest holding at 11%. This performance was predictably fuelled by a rampant oil price in the aftermath of those terrible twins Katrina and Rita. Being two hurricanes which all but crippled the Gulf of Mexico oil production and refining capacity for a significant length of time. As highlighted in our June comment we do not regard oil prices of US\$60 per barrel as normal but regard Sasol as a superior investment for the long term on much more conservative assumptions.

We have added significantly to our holding in Woolworths to the extent that it is now the fourth largest holding in the fund. We regard Woolworths as a premium company on an average market rating – hence the attraction. The food division which makes up 37% of profit will continue to enjoy significant space growth. It also possesses high barriers to entry (the 'Woolies' brand, R&D and store locations) in the premium food retail market. We believe that the food business is an excellent business and therefore value it at a significant premium to the market. The clothing division which contributes 39% of profit is a third of the way into a turnaround and initial progress has been encouraging. We regard this as a market average business but believe the market is not fully discounting a successful turnaround of this division. The loan book which contributes 20% of profits is the best quality book in the industry. This part of Woolworths we value at a small discount to the market. Blending all these divisions and ratings together yields our expectation that Woolworths should be valued at in excess of 12 times its normalised earnings whereas its current pricing implies a forward PE multiple of only 11 times. Woolworths has a superior brand and shareholders will continue to enjoy the benefits of the competent exploitation of this brand into the future. Woolworths appreciated by 25% in the quarter.

Impala, Tiger Brands and Naspers all contributed returns in the mid to low twenties. We have not continued our Mittal Steel buying programme as the stock appreciated away from our buying level. Mittal did however contribute 21% in the quarter. A small exposure to Anglo American was purchased at R169 – as we believed the core PE of 10.3 (stripping out all the listed subsidiaries) together with Anglo's rand gearing and conservative view of the commodity cycle to be enough of an inducement. A portion of the Telkom holding was sold in favour of VenFin (which was purchased) on valuation grounds – we continue to regard both counters as attractively valued.

The local market is up by just under 44% over the last year with the resources and financials sectors both up 38% and industrials up 52%. The 15 shares held in the fund however offer significant upside over cash and bonds.

In closing lets remind ourselves that these are turbulent times. Natural disasters and geopolitical uncertainty, together with the madness of crowds, all conspire to separate us from our hard earned capital. Having a robust investment philosophy is of paramount importance – or to borrow a phrase from Phillip A Fisher, "Conservative investors sleep well".

Hugo Nelson & Gavin Joubert
Portfolio Managers

Fund category	Domestic Equity Large Cap
Launch date	1 October 2000
Portfolio manager	Hugo Nelson & Gavin Joubert
Fund size	R909.1 million
NAV	3427.60 cents
Annual management fee	1.00% (ex VAT)
Performance fee	20% (above benchmark, capped at 2.5% p.a.)

Benchmark	FTSE/JSE Africa Top 40 Index
Fund description	Aims to outperform the FTSE/JSE Top 40 Index, is aggressively managed and will typically hold no more than 20 large cap stocks at any point in time.

ASSET AND SECTOR ALLOCATION

Sector	30 Sep 2005	30 Jun 2005
Domestic Assets	100.00%	100.00%
Equity	89.00%	90.01%
Resources	21.24%	18.57%
Basic Industries	1.86%	2.05%
Cyclical Consumer Goods	6.21%	6.97%
Non Cyclical Consumer Goods	8.37%	9.18%
Cyclical Services	17.51%	16.28%
Non Cyclical Services	4.81%	8.97%
Financials	29.00%	27.99%
Cash	11.00%	9.99%
International Assets	0.00%	0.00%

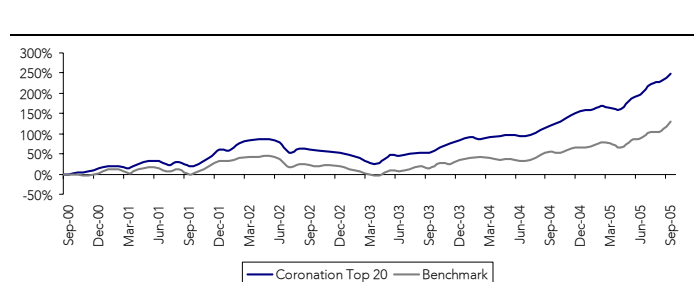
PERFORMANCE & RISK STATISTICS

	Fund	Benchmark
Latest 12 months	59.79%	46.61%
Latest 36 months (annualised)	29.32%	23.32%
Latest 60 months (annualised)	28.45%	18.02%
Since inception (annualised)	26.98%	18.02%
Annual deviation since inception	19.80%	21.51%
Sharpe ratio	1.04	0.48
Maximum gain	38.58%	37.20%
Maximum drawdown	-22.28%	-21.54%
Positive months	65.00%	58.33%

TOP 10 SHARE HOLDINGS

As at 30 September 2005	% of Fund
Sasol Ltd	11.71%
Naspers Ltd – N Ordinary Shares	9.79%
Remgro Ltd	9.42%
Venfin Ltd	9.36%
Woolworths Ltd	7.72%
Impala Platinum Holdings Ltd	7.31%
Richemont Securites AG	6.21%
Standard Bank Group	5.24%
SABMiller Plc	5.02%
Telkom SA Ltd	4.81%
Total	76.59%

CUMULATIVE PERFORMANCE SINCE INCEPTION



INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/09/2005	01/10/2005	74.38	67.95	6.43
31/03/2005	01/04/2005	0.00	0.00	0.00
30/09/2004	01/10/2004	2.24	1.98	0.26
31/03/2004	01/04/2004	4.16	3.46	0.70

ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
2004	38.94%	23.48%	15.47%
2003	20.28%	13.31%	6.98%
2002	-4.59%	-10.69%	6.10%
2001	41.80%	30.08%	11.72%
2000	13.23%	2.10%	11.13%

PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
Fund 2005	1.15%	3.72%	-1.43%	-1.74%	10.08%	3.36%	8.98%	2.69%	5.57%				36.59%
B'mark 2005	1.33%	5.86%	-0.44%	-5.83%	10.55%	2.99%	6.90%	1.90%	10.63%				37.98%
Fund 2004	4.51%	-2.92%	3.07%	0.47%	1.05%	-0.92%	2.05%	5.81%	4.57%	4.65%	7.70%	3.79%	38.94%
B'mark 2004	5.01%	0.56%	-1.86%	-2.70%	0.75%	-3.25%	2.40%	9.36%	5.57%	-1.80%	6.96%	1.16%	23.48%