

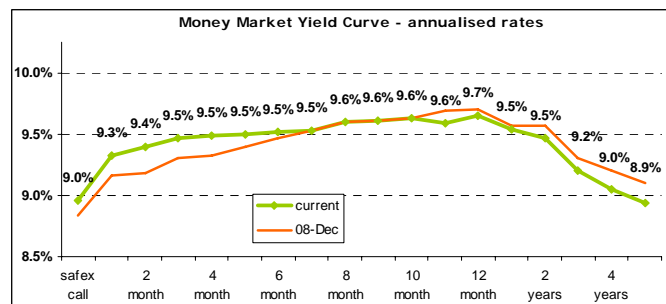
At the year-end close we saw money market yields reach new highs. In recent months, rising short term interest rates dominated the fixed interest market causing the yield curve to rise, especially short term interest rates and volatility. Inflation worries are subsiding given that the repo rate has been hiked four times from June to December 2006.

The Coronation Money Market Fund is designed to benefit from the higher wholesale rates available to institutions and passes these directly onto clients, net of fees. At year-end the fund was yielding 8.85% (gross of fees). The fund returned 7.3% for the calendar year.

Lower trending long-dated interest rates were fuelled by the better than expected November CPIX and PPI figures. CPIX came out at 5.0%, unchanged from October and below forecasts of 5.4%, while PPI was 10% year on year, also better than expected. Part of the reason for the lower than expected figures was a muted increase in fresh food prices, which is an important component of the inflation measure. The oil price remained flat for the year and the currency, although depreciating at one point turned around and made back some of its losses. These two factors, as we have noted before, are big influencing factors on inflation.

Money market interest rates rose again on the news that the South African Reserve Bank hiked the repo rate to 9%. However, looking forward, as at year-end, the market is no longer expecting interest rates to continue rising, instead, it sees a possible pause in the interest rate hiking cycle and possibly a repo rate cut within 18 months to 2 years. The market will remain focused on the currency when it comes to interest rate expectations. Any weakening in the currency should very quickly result in a more bearish outlook priced into the yield curve as it responds to the effect of a weaker currency on the inflation outlook.

The money market yield curve has flattened since the beginning of December which is an indicator that the peak in the hiking cycle is drawing closer as presented in the chart below. Such yield curve behaviour is typical at this point in the cycle.



We have invested most of the fund into fixed rate investments of between 9.0% - 9.7% per annum which means that the instruments will pay this attractive interest rate until it matures.

The Coronation Money Market Fund is invested in a wide range of good quality banks as well as some of the better rated and more established short term securitisation vehicles which offer a yield premium over other prevailing money market investments.

Tania Miglietta
Portfolio Manager

CORONATION MONEY MARKET FUND

as at 31 December 2006

CORONATION
FUND MANAGERS

Fund category	Domestic Fixed Interest Money Market
Launch date	1 October 1999
Portfolio manager	Tania Miglietta
Fund size	R2.1 billion
NAV	100.00 cents
Annual management fee	0.30% (ex VAT)
Initial fee	0.00%

Benchmark	Alexander Forbes 3-month (STeFI) Index
Fund description	To outperform fixed deposits and call accounts, while ensuring capital preservation, stability and liquidity.

ASSET ALLOCATION

Maturity Band	31 Dec 2006
0 – 3 months	85.77%
4 – 6 months	7.64%
7 – 9 months	5.13%
10 – 12 months	1.46%

PERFORMANCE AND RISK STATISTICS

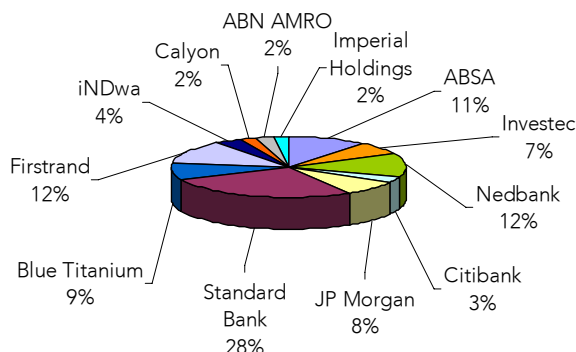
	Fund	Benchmark
Year to date	7.27%	7.45%
Latest 12 months	7.27%	7.45%
Latest 36 months (annualised)	7.40%	7.42%
Latest 60 months (annualised)	9.08%	9.24%
Since inception (annualised)	9.53%	9.64%
Annual deviation since inception	0.56%	0.61%
Sharpe ratio	-0.84	-0.61
Maximum gain	93.53%	99.13%
Maximum drawdown	0.00%	0.00%
Positive months	100.00%	100.00%

ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
2005	7.05%	7.04%	0.01%
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

As at 31 December 2006



YIELDS FOR THE LAST FOUR PERIODS

Declaration	Payment	Yield
31/12/2006	01/01/2007	8.50
30/11/2006	01/12/2006	8.36
31/10/2006	01/11/2006	7.98
30/09/2006	01/10/2006	7.51

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2006	0.58%	0.51%	0.56%	0.51%	0.60%	0.56%	0.58%	0.61%	0.58%	0.66%	0.65%	0.64%
B'mark 2006	0.58%	0.52%	0.57%	0.56%	0.58%	0.56%	0.59%	0.61%	0.62%	0.66%	0.66%	0.70%
Fund 2005	0.61%	0.56%	0.60%	0.55%	0.60%	0.56%	0.53%	0.62%	0.55%	0.58%	0.53%	0.54%
B'mark 2005	0.61%	0.55%	0.61%	0.59%	0.58%	0.55%	0.56%	0.57%	0.55%	0.57%	0.55%	0.56%

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