

The last quarter of 2007 was not kind to equities as the global malaise affecting most developed markets made its impact felt locally, and certainly political tensions in the run up to the ANC elections made foreign investors nervous. The situation was further compounded by two interest rate hikes which have placed the consumer under pressure, and impacted the ratings of domestic interest rate-sensitive stocks.

The All Share Index lost 3% for the quarter, bringing the total return for 2007 down to 19.2%; still a great return, but one which was achieved by a few specific stocks doing extremely well and a large number underperforming. Bonds fared poorly overall for the year with a paltry 4.2% significantly underperforming the cash return of 10.1%. Remarkably, despite the usual linkage between bonds and property stocks, the SA listed property index returned 26.5% for the year, another phenomenal performance from this sector.

The Market Plus Fund managed to return -0.84% against the benchmark return of -0.44% for the quarter, and 14.2% for the year against the benchmark return of 16%. Overall, the long-term track record of the fund remains excellent and we believe that there is once again great opportunity to make some good investments in the current climate. As alluded to earlier, while the overall index is positive a number of shares have fallen significantly out of favour in the market, and have been marked down during the past year. This does not happen without reason and there are, as always with investing, risks attached to these businesses. That said, the price at which one can buy these shares (in my view) significantly discounts the risks.

With the top of the interest rate cycle being very near in my estimation, buying some of the banks on forward multiples of less than 8 and dividend yields of 4% looks very attractive, especially as these shares have avoided the huge write-offs of their developed peers, yet suffered significant de-rating nonetheless.

As usual, in times of uncertainty the market has been indiscriminate in its de-rating and some sturdy defensive type names, such as Tiger Brands and Bidvest, have also de-rated and are looking very attractive as a long-term investment.

Equities remain the largest holding of the fund, having been added to during the main period of weakness in December (which appears to have been more technical futures related than true underlying price movements). The second largest holding is preference shares which I have mentioned before are offering some of the best risk-adjusted returns possible. The balance of the fund is now invested mainly in cash as property stocks do not look particularly attractive and yields in excess of 10% are available in the short to medium-term cash market.

We wish all unit holders a happy and prosperous 2008.

Neville Chester
Portfolio Manager

CORONATION MARKET PLUS

Class A
as at 31 December 2007

CORONATION
FUND MANAGERS

Fund category
Fund description

Domestic Asset Allocation Flexible
Invests across various domestic and international asset classes, with a bias towards the equity market over the investment cycle.
2 July 2001

Launch date

Portfolio manager
Fund size
NAV
Benchmark/performance fee hurdle

Neville Chester
R1.2 billion
3622.27 cents
Composite Benchmark
(63% equity, 22% bonds, 10% International, 5% cash) + 2%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2007
Domestic Assets	85.72%
Equity	67.69%
Oil & Gas	3.25%
Basic Materials	12.11%
Industrials	8.89%
Consumer Goods	8.83%
Healthcare	2.05%
Consumer Services	14.70%
Telecommunications	2.43%
Financials	15.16%
Derivatives	0.27%
Preference Shares & Other Securities	8.49%
Real Estate	3.74%
Fixed Interest	1.88%
Cash	3.92%
International Assets	14.28%
Equity	12.28%
Fixed Interest	0.76%
Cash	1.24%

TOP 10 HOLDINGS

As at 31 December 2007	% of Fund
Coronation Global Equity Fund of Funds	11.48%
Impala Platinum Holdings Ltd	6.01%
Standard Bank Group Ltd	5.73%
Naspers Ltd – N ordinary shares	4.94%
Remgro Ltd	3.52%
Sasol Ltd	3.25%
Absa Group Ltd – Ordinary and Preference Shares	3.24%
Woolworths Holdings Ltd	3.10%
BHP Billiton Plc	2.85%
Bidvest Group Ltd	2.65%
Total	46.77%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/09/2007	01/10/2007	30.31	24.24	6.07
31/03/2007	01/04/2007	27.70	15.49	12.21
30/09/2006	01/10/2006	38.34	28.57	9.77
31/03/2006	01/04/2006	38.93	30.49	8.44

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	5.07%	0.53%	3.43%	3.79%	0.05%	-1.28%	-0.01%	1.02%	1.80%	5.15%	-3.81%	-1.96%
Fund 2006	6.30%	-0.01%	3.86%	1.27%	-3.24%	-0.92%	0.05%	3.16%	1.79%	5.92%	3.82%	4.30%
Fund 2005	1.69%	3.26%	-1.11%	-1.82%	6.36%	2.30%	6.19%	1.55%	4.03%	-0.70%	1.95%	5.61%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee - performance related**	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 3.75% Sharing rate: 20%

*An initial fee of 0.25% will be charged on all investments placed via administration platforms like Linked Investment Service Providers (LISP's).

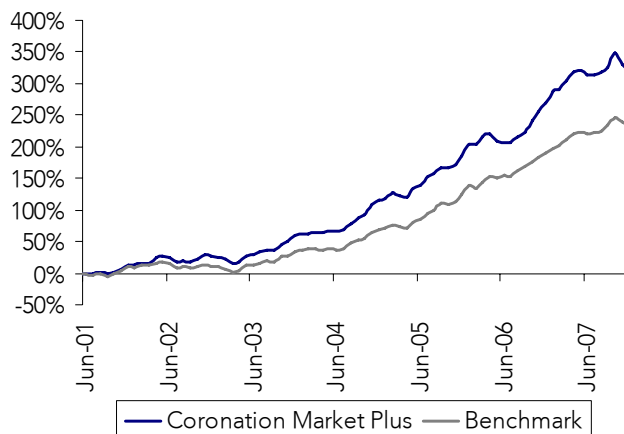
**A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- An initial advice fee may be negotiated to a maximum of 3% and is applied to each contribution and deducted before investment is made.
- Ongoing advice fees may be negotiated to a maximum of 1% per annum (if initial advice fee greater than 1.5% is selected, then the maximum annual advice fee is 0.5%), charged by way of unit reduction and paid to the Financial Advisor monthly in arrears. This annual advice fee is not part of the normal annual management fee as disclosed above.
- Where commission and incentives are paid, these are included in the overall costs.

PERFORMANCE AND RISK STATISTICS¹

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	14.20%	16.00%	-1.81%
Latest 12 months (annualised)	14.20%	16.00%	-1.81%
Latest 36 months (annualised)	25.19%	27.23%	-2.04%
Latest 60 months (annualised)	27.21%	26.01%	1.19%
Since inception (annualised)	24.82%	21.54%	3.28%
2006	29.15%	31.33%	-2.18%
2005	33.05%	34.52%	-1.47%
2004	35.91%	28.41%	7.50%
2003	24.90%	20.15%	4.75%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	10.99%	10.75%
Sharpe ratio	1.37	1.10
Maximum gain	36.70%	N/A
Maximum drawdown	-9.98%	N/A
Positive months	71.79%	N/A

Total Expense Ratio (TER)²

2.00% per annum, which includes a performance fee of 0.55%

When applicable, Coronation shares in the fund performance above the benchmark. This performance fee is accrued daily, based on performance over a rolling 12-month period, and paid to Coronation monthly. If the fund produces a positive return in line with or below the benchmark, a standard minimum fee will be levied. If the fund produces a negative return over a rolling 60-month period, the discounted minimum fee applies.

For further information regarding our fee structure please contact us or visit our website.