

The domestic listed property index declined by 0.4% in the last quarter of the year, after a strong performance in the third quarter. The fund held up well with a positive return of 0.1% over the quarter. This brings the return for the past year to 18.8%, and 29.7% for the past five years.

The main contributors to positive performance over the quarter were Sycom, Acucap, Fountainhead and Resilient. Both the Acucap and Sycom positions were increased in the previous quarter.

The main detractor from performance over the past quarter was Liberty International on the back of continued negative sentiment in the UK. While the environment for UK property is likely to remain challenging, we continue to believe that this counter represents an excellent investment opportunity. Negative sentiment to UK retail has reached a new level with the release of disappointing sales growth numbers from Marks & Spencer. This negative sentiment has impacted UK property stocks severely, with the index down by 43% since the beginning of 2007. Rental growth for prime UK shopping centres has always been significantly less cyclical than retail sales, given long lease terms and high quality tenants. We will continue to maintain this position at the maximum permissible level of 10%.

During the quarter we increased our holding in Hospitality A shares during a rights issue. With a yield comparable to current government bond rates, and growth in distributions of 5% guaranteed before B shareholders receive any income, we believe this to be an attractive investment with low risk as well. A new position was established in Pangbourne properties during the period. We believe that management changes instituted by the Resilient group will create value for unitholders, and that a new focus on costs and efficiencies will benefit distribution growth going forward.

A new position was also established in Diversified property fund. While this counter appears expensive on a yield basis, we believe that superior growth will be driven by a strong management team and exciting development opportunities. We also like the alignment of interests with a significant (and growing) directors' shareholding.

Our positioning within the fund remains cautious, with a 14% investment outside domestic listed property, and a significant investment in 'A' shares. In an increasingly uncertain environment with regards to interest rates and the domestic consumer, domestic property stocks have hardly reacted, as opposed to the situation in the UK and elsewhere internationally.

We continue to believe that a focus on quality counters with prime properties is important, and that the yield differential between these and secondary properties are too low.

Edwin Schultz and Ndabe Mkhize
Portfolio Managers

CORONATION PROPERTY EQUITY

Class A
as at 31 December 2007

CORONATION
FUND MANAGERS

Fund category
Fund description

Domestic Real Estate General
Invests in quality listed property assets with the aim to produce high income yields and long-term capital growth.
20 November 2000

Portfolio manager/s

Edwin Schultz and Ndabe Mkhize

Fund size

R1.1 billion

NAV

2967.62 cents

Benchmark/performance fee hurdle

Domestic Real Estate General Mean

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2007
Domestic Assets	100.00%
Preference Shares & Other Securities	3.09%
Real Estate	95.61%
Cash	1.30%
International Assets	0.00%

TOP 10 HOLDINGS

As at 31 December 2007	% of Fund
Fountainhead Property Trust	15.91%
Hyprop Investments Ltd	14.87%
Liberty International Plc	10.84%
Apexhi Properties Ltd	10.33%
Acucap Properties Ltd	10.20%
Growthpoint Properties Ltd	10.07%
Syfrets and CU Property Fund	9.56%
Resilient Property Income Fund	7.15%
Foord Compass Ltd	3.09%
Hospitality Property Fund A	2.55%
Total	94.57%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/12/2007	01/01/2008	24.76	-	24.76
30/09/2007	01/10/2007	48.59	3.48	45.11
30/06/2007	01/07/2007	33.27	-	33.27
31/03/2007	01/04/2007	30.11	-	30.11

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	6.76%	2.30%	3.97%	5.27%	-1.68%	-3.78%	-0.93%	1.51%	4.36%	4.84%	-2.38%	-2.20%
Fund 2006	5.73%	5.98%	6.20%	-0.22%	-4.15%	-12.36%	-0.57%	10.64%	0.18%	8.27%	5.16%	2.59%
Fund 2005	0.68%	5.25%	-0.06%	1.45%	5.22%	2.12%	2.66%	4.88%	2.41%	1.32%	-1.44%	7.53%

FEES (excl. VAT)

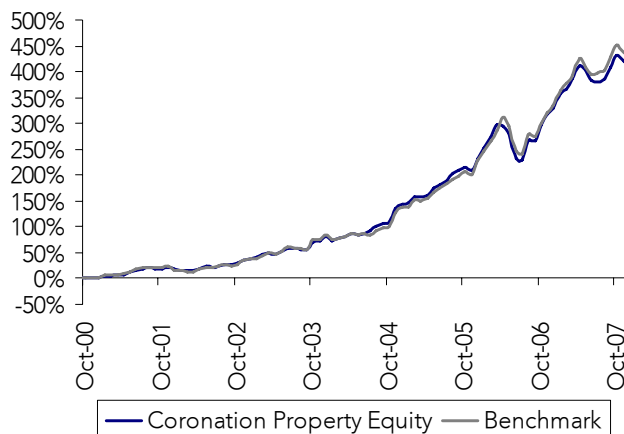
Initial Fee	Coronation: 0.00%
Annual Management Fee**	1.25%
* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.	
Total Expense Ratio (TER)²	1.42% per annum

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	18.79%	21.76%	-2.97%
Latest 12 months (annualised)	18.79%	21.76%	-2.97%
Latest 36 months (annualised)	27.75%	29.38%	-1.63%
Latest 60 months (annualised)	29.69%	31.28%	-1.59%
Since inception (annualised)	25.68%	25.15%	0.53%
2006	28.40%	25.19%	3.21%
2005	36.69%	42.07%	-5.38%
2004	35.27%	35.00%	0.27%
2003	30.11%	33.39%	-3.29%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	12.18%	13.05%
Sharpe ratio	1.30	1.28
Maximum gain	54.76%	40.98%
Maximum drawdown	-16.66%	-17.09%
Positive months	71.76%	68.24%

CLIENT SERVICE: 0800 22 11 77

FAX: (021) 680 2500

EMAIL: unittrusts@coronation.co.za

WEBSITE: www.coronation.com

Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up. Past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Instructions must reach the Management Company before 2pm (12pm for the Money Market Fund) to ensure same day value. Forward pricing is used. A member of the Association of Collective Investments, South Africa. ¹Performance is quoted from Morningstar as at 31 December 2007 for a lump sum investment using Class A NAV prices with income distributions reinvested. ²The TER is calculated as an annualized percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for the period 1 January 2007 to 30 September 2007. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.