

The wonderful investment environment that has prevailed over the past four years suffered a setback during the past quarter. The change in investor sentiment was sparked by rising global interest rates, especially the bell weather 10 year US treasuries. The upward move in interest rates globally had a knock-on effect in emerging markets in general and South Africa did not escape its impact. In fact, poor inflation data forced the SARB to raise the bank rate by 0,5% again. Money market rates, bond rates and yields on listed property all moved higher, while interest rate sensitive stocks on the JSE suffered a fairly sharp correction.

The fund was defensively positioned with only 26% of the portfolio invested in domestic equity and a further 8.5% in global equities. Following the correction in prices we added another 2.5% in domestic equities towards the end of June.

Within the interest bearing market we were likewise very defensively positioned with a lot of cash and very little in bonds. As interest rates moved higher we lengthened the life of the portfolio by making money market investments in the 1-3 year area at yields above 10%. We also bought a few long dated RSAs at around the 8.5% as well as a very small amount of US treasuries at an average yield of 5.11%.

The fund returned 1.50% for the quarter.

Charles de Kock and Mark le Roux
Portfolio Managers

Fund category	Domestic Asset Allocation Prudential Low Equity
Fund description	The fund aims to provide a reasonable level of current income and seeks to preserve capital in real terms, with lower volatility over the medium to long-term.
Launch date	1 February 2007

Portfolio manager/s
Fund size
NAV
Benchmark/performance fee hurdle

Charles de Kock and Mark le Roux
R65.4 million
102.76 cents
Alexander Forbes 3-month (STeFI)
Index plus 3%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 June 2007
Domestic Assets	83.54%
Equity	26.28%
Oil & Gas	2.17%
Basic Materials	6.04%
Industrials	1.24%
Consumer Goods	2.87%
Healthcare	0.94%
Consumer Services	6.43%
Telecommunications	1.04%
Financials	4.76%
Derivatives	0.79%
Preference Shares & Other Securities	5.06%
Real Estate	3.08%
Fixed Interest	12.07%
Cash	37.05%
International Assets	16.46%
Equity	8.49%
Fixed Interest	2.07%
Cash	5.90%

TOP 10 HOLDINGS

As at 30 June 2007	% of Fund
Coronation Global Equity Fund of Funds	8.49%
Absa Group Ltd – Ordinary and Preference Shares	5.10%
Standard Bank Group Ltd	2.38%
Impala Platinum Holdings Ltd	2.19%
Sasol Ltd	2.17%
Naspers Ltd – N ordinary shares	2.17%
BHP Billiton Plc	1.48%
Woolworths Ltd	1.40%
Standard Bank Group Preference Share	1.07%
Richemont Securities AG	1.03%
Total	27.48%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/06/2007	01/07/2007	1.03	0.02	1.01
31/03/2007	01/04/2007	0.88	0.09	0.79

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007		N/A	N/A	N/A	N/A	N/A						

Performance figures will be published once a six-month track record has been established

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	1.50%
* 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	The TER cannot be accurately determined and will be in line or higher than the quoted annual management fee.

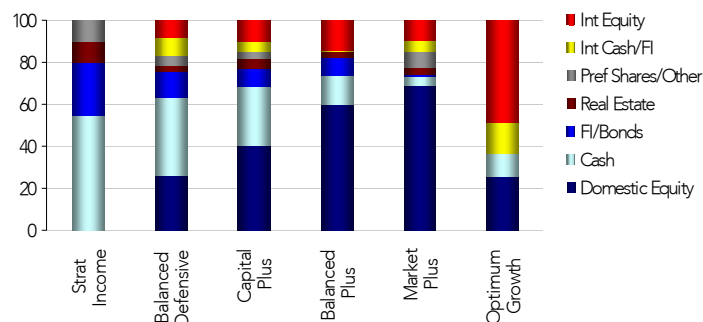
Advice Costs (excluding VAT)

- 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

ASSET ALLOCATION

Managed flexible fund range as at 30 June 2007



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	N/A	N/A	N/A
Latest 12 months (annualised)	N/A	N/A	N/A
Latest 36 months (annualised)	N/A	N/A	N/A
Since inception (annualised)	N/A	N/A	N/A

Performance figures will be published once a six-month track record has been established

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	N/A	N/A
Sharpe ratio	N/A	N/A
Maximum gain	N/A	N/A
Maximum drawdown	N/A	N/A
Positive months	N/A	N/A