

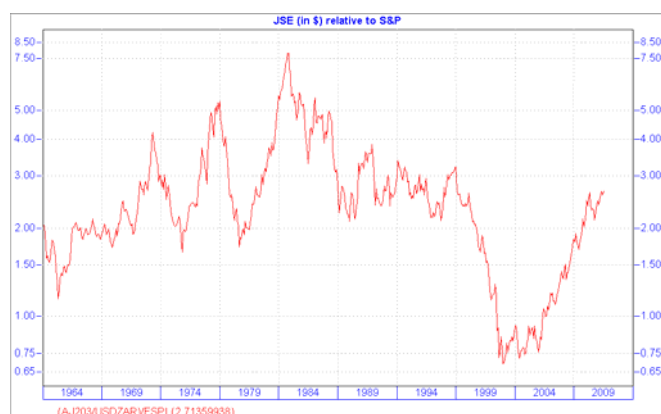
CORONATION BALANCED PLUS

Class A

as at 30 June 2007

After two very good quarters the Coronation Balanced Plus Fund had an indifferent quarter, returning 2.0% compared to 2.3% from the benchmark. For the 12 months to 30 June 2007 the fund returned 30.1%, outperforming its benchmark by 4.1%. As long term investors, we consider the longer term track record of the fund as paramount, and it is with some pride that we report a return over a rolling 3-year period of 35.4% as against 32.6% from the benchmark.

The global economic backdrop remains something of a mixed bag. In general, global growth has surprised on the upside with Europe, Asia and the Emerging Market economies all performing well. China continues to deliver quarter after quarter of rampant growth and, in so doing, drives commodity prices upwards. The US economy has slowed as it adjusts to higher interest rates and the fallout in the sub-prime end of the housing market. In our view the most significant development of the last few months has been the up-tick in inflation. Low inflation has been the single biggest driver of the 'goldilocks economy', because it has enabled Central Banks to keep interest rates low despite strong growth. Inflationary pressures have so far been contained to oil and food but, with tight labour markets in virtually every major economy, the risk that these inflationary pressures spread cannot be discounted. We remain of the view that Developed Market equities offer more value than Emerging Market equities. The following graph shows how materially our market has outperformed the S&P over the last few years. This positioning in our portfolios has detracted from short term performance but we believe it will add value over the longer term. Capital has poured into Emerging Markets and left many high quality businesses in Developed Markets on very attractive ratings.



The domestic economy has proved to be remarkably resilient over the last few years. In the coming months the consumer will be tested by high interest rates and we expect some fallout from those consumers who have overextended themselves in the good times. Notwithstanding this we expect a reasonably strong performance from the economy as infrastructure spend and manufacturing grow off a low base.

Equities had another strong quarter, returning 4.3%. Resources (6.8%) continued the trend of the first quarter by outperforming Industrials (4.3%) and Financials (-2.4%). Billiton, Sasol and Mittal added to performance while Impala, AngloGold and Goldfields detracted. During the quarter we further reduced our underweight position in the gold counters. While one can make the argument that the outlook for the gold price is positive, we believe the cost pressures being faced by the industry will undermine most of its gains at the revenue line.

Johhnic, Shoprite, Nuclicks, Oceana and AECI added to performance while Mr Price, Woolworths and AVI detracted. Within the domestic universe we are fairly defensively positioned. Ratings of the interest rate sensitive stocks are a lot higher than they were a the time of the last up-cycle in interest rates and we would need a much larger margin of safety before we considered building big stakes in these businesses.

Financials performed poorly in the quarter, with no stocks contributing to performance and Standard Bank and ABSA detracting. The banks are, in our view, attractive at current ratings (less than 10 times forward; their earnings bases are a lot lower than for other interest rate sensitive businesses because they have shown negative operational gearing over the last few years (profit growth has lagged advances growth). In addition, they have proven the robustness of their model and earnings stream over previous down-cycles.

Bonds had a weak quarter, returning -1.7% compared to 2.3% from cash. An increase in inflation sparked a fall-out in global bond markets. The local market sold off aggressively and we have, at yields close to fair value, increased our weighting off very low levels. Property stocks have been very resilient to the sell-off in the bond market and we remain of the view that they are priced for perfection.

Louis Stassen and Karl Leinberger
Portfolio Managers

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CORONATION
FUND MANAGERS

Fund category	Domestic Asset Allocation Prudential Medium Equity
Fund description	A fully managed investment solution diversified across the various asset classes and sectors. Its asset allocation is compliant with Regulation 28 of the Pension Funds Act.
Launch date	15 April 1996

Portfolio manager/s	Louis Stassen and Karl Leinberger
Fund size	R2.3 billion
NAV	4617.10 cents
Benchmark/performance fee hurdle	Composite benchmark (63% equity, 22% bonds, 10% international, 5% cash)

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2007
Domestic Assets	85.04%
Equity	60.04%
Oil & Gas	4.98%
Basic Materials	13.46%
Industrials	2.79%
Consumer Goods	6.90%
Healthcare	2.15%
Consumer Services	14.35%
Telecommunications	2.37%
Financials	11.23%
Derivatives	1.81%
Real Estate	2.58%
Fixed Interest	8.58%
Cash	13.84%
International Assets	14.96%
Equity	14.59%
Cash	0.37%

TOP 10 HOLDINGS

As at 30 June 2007	% of Fund
Coronation Global Equity Fund of Funds	13.30%
Standard Bank Group	5.72%
Impala Platinum Holdings Ltd	5.13%
Sasol Ltd	4.98%
Naspers Ltd – N ordinary shares	4.94%
BHP Billiton Plc	3.26%
Woolworths Ltd	3.24%
ABSA Group Ltd	2.60%
Richemont Securities AG	2.32%
Network Healthcare Holdings Ltd	2.12%
Total	47.61%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2007	01/04/2007	30.87	15.45	15.42
30/09/2006	01/10/2006	52.00	36.21	15.79
31/03/2006	01/04/2006	43.76	32.20	11.56
30/09/2005	01/10/2005	47.16	35.29	11.87

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	4.51%	0.57%	2.83%	3.22%	0.20%	-1.38%						
Fund 2006	6.22%	-1.10%	4.06%	2.13%	-2.12%	1.13%	-1.02%	3.61%	2.60%	4.83%	2.98%	3.93%
Fund 2005	1.24%	2.58%	-0.24%	-2.07%	7.22%	2.58%	6.69%	1.94%	3.79%	-0.60%	2.09%	5.61%

FEES (excl. VAT)

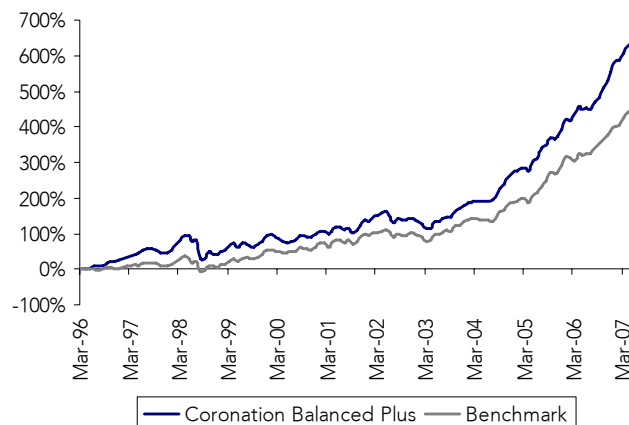
Initial Fee	Coronation: 0.00%
Annual Management Fee*	1.25%
* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.	
Total Expense Ratio (TER)²	1.49% per annum

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	10.25%	9.96%	0.29%
Latest 12 months	30.15%	26.02%	4.13%
Latest 36 months (annualised)	35.42%	32.59%	2.83%
Latest 60 months (annualised)	23.38%	21.96%	1.43%
Since inception (annualised)	19.31%	16.58%	2.73%
2006	30.46%	29.90%	0.56%
2005	35.00%	31.59%	3.41%
2004	32.01%	26.41%	5.61%
2003	17.68%	18.15%	-0.47%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	16.14%	14.48%
Sharpe ratio	0.44	0.30
Maximum gain	57.40%	29.32%
Maximum drawdown	-29.84%	-23.24%
Positive months	68.66%	64.93%