

The Coronation Capital Plus Fund appreciated by 8% over the first half of 2007, taking its 12-month return to 24.6%, which is well ahead of its return objective of CPIX + 4%. We believe that longer time periods are more meaningful and in this regard the fund has generated a return of around 19.4% per annum over the past five years. Very importantly these returns have been achieved without taking on large amounts of risk and an equity exposure of between 35% and 50%.

The equity exposure of the fund has not changed significantly over the past few months and the SA equity exposure of the fund, adjusted for the Primedia position which we consider to be near cash and the delta-adjusted index put options, is around 40%. We remain somewhat cautious towards equities and prefer to hold positions in more 'boring' companies with long-term track records and attractive valuations than companies with little operating history and/or high valuations fuelled by takeover speculation or daily positive newspaper reports and broker research notes. New small construction stock listings and junior mining companies are currently the most in favour and hyped sectors, yet as hard as we try we cannot find value in either of these areas and in fact see many parallels with past listing booms and/or takeover speculation in other sectors in the past. Investors in these stocks may well continue to enjoy good returns, however our experience is that investing in places where everyone wants to invest typically results in poor returns at best (as expectations are so high) and more seriously can result in a permanent loss of capital.

In contrast, superior returns are quite often found in places where no-one else wants to invest. One such place is in one of the fund's largest equity holdings: Sasol's share price has barely increased over the past 18 months against a resources sector which has appreciated by around 50% over the same period. Interestingly, the oil price (one of the biggest drivers of Sasol's earnings) continues to rise and most emerging markets oil stocks continue to appreciate (Petrobras, the Brazilian equivalent of Sasol, has almost doubled over the past 18 months), yet concerns over the proposed windfall tax and delays in GTL projects continue to dominate short-term focused investors views. Our view on the windfall tax remains unchanged: a tax will only be triggered at higher oil price levels and we value Sasol using an oil price of \$45 a barrel (well below the current price of \$72). Therefore, the 'net' benefit to our valuation, should oil prices indeed remain well above \$45, would be very positive after adjusted for taxes. We continue to believe that Sasol is one of the most undervalued shares in the SA market and we do not believe that it is possible to time markets and 'wait' until the sentiment turns positive, or try to identify a 'catalyst' before buying Sasol. Valuation is the only catalyst that you need: if a share is cheap enough that value will be realised and no mere mortal can time when that happens, although many believe they can and continue trying to do so.

As a result of our view that developed market international equities offer better relative value than SA equities, combined with our view that the rand will depreciate over longer periods of time, the fund continues to use the full international allocation of 15%, invested in a mix of international equity funds (invested primarily in the US, European and Japanese equity markets) and cash.

We believe that bonds are starting to look more interesting as government long bond yields (R157) approaches 8.5%, and as a result we started to buy bonds again and now have an 8% bond position in the fund. We also believe that the yield of around 10% currently available on NCDs is very attractive and we have built up an 8% position in these instruments. Given the very strong performance of listed property shares over the past few years, we can only find value in 4-5 listed property shares and this is reflected in the relatively small property position of 4.5%. The balance of the fund is invested in cash (15%) and preference shares (2.5% position invested in ABSA preference shares when sentiment was very negative as a result of uncertainty over the tax treatment of preference shares).

Whilst the generation of significant real returns going forward is becoming more and more difficult as all assets classes continue to appreciate, we believe that the fund is well positioned to continue to achieve its return objectives over longer periods of time and protect capital over 12-month rolling periods.

Edwin Schultz and Gavin Joubert
Portfolio Managers

CORONATION CAPITAL PLUS

Class A
as at 30 June 2007

CORONATION
FUND MANAGERS

Fund category	Domestic Asset Allocation
Fund description	Targeted Absolute and Real Return Focused on the preservation of capital over all rolling 12-month periods. Over the medium term, the objective is to produce real growth of at least 4% per annum.
Launch date	2 July 2001

Portfolio manager/s	Edwin Schultz and Gavin Joubert
Fund size	R4.2 billion
NAV	2357.66 cents
Benchmark/performance fee hurdle	CPIX + 4%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2007
Domestic Assets	85.16%
Equity	40.51%
Oil & Gas	4.08%
Basic Materials	4.72%
Industrials	3.25%
Consumer Goods	7.58%
Healthcare	2.51%
Consumer Services	15.10%
Telecommunications	1.62%
Financials	6.69%
Derivatives	(5.04%)
Preference Shares & Other Securities	3.23%
Real Estate	4.90%
Fixed Interest	8.54%
Cash	27.98%
International Assets	14.84%
Equity	9.74%
Fixed Interest	2.61%
Cash	2.49%

TOP 10 HOLDINGS

As at 30 June 2007	% of Fund
Coronation Global Equity Fund of Funds	4.63%
Naspers Ltd – N ordinary shares	4.22%
Sasol Ltd	4.08%
Woolworths Ltd	3.66%
Impala Platinum Holdings Ltd	3.34%
Absa Group Ltd – Ordinary and Preference Shares	3.19%
Remgro Ltd	2.80%
Network Healthcare Holdings Ltd	2.51%
Edinburgh Partners Euro Opportunity Fund	2.49%
Standard Bank Group Ltd	1.91%
Total	32.83%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/06/2007	01/07/2007	14.29	0.94	12.66
31/03/2007	01/04/2007	17.02	5.72	11.30
31/12/2006	01/01/2007	9.58	3.26	6.32
30/09/2006	01/10/2006	21.43	13.00	8.43

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	4.23%	0.32%	1.63%	2.72%	0.25%	-1.30%						
Fund 2006	3.70%	0.26%	2.55%	0.53%	-0.42%	-0.57%	0.00%	2.90%	2.45%	3.39%	2.83%	3.70%
Fund 2005	0.77%	1.87%	-0.18%	-0.46%	4.50%	1.45%	3.85%	1.87%	2.08%	0.71%	1.25%	3.48%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee - performance related**	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 2.75% Sharing rate: 10%

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

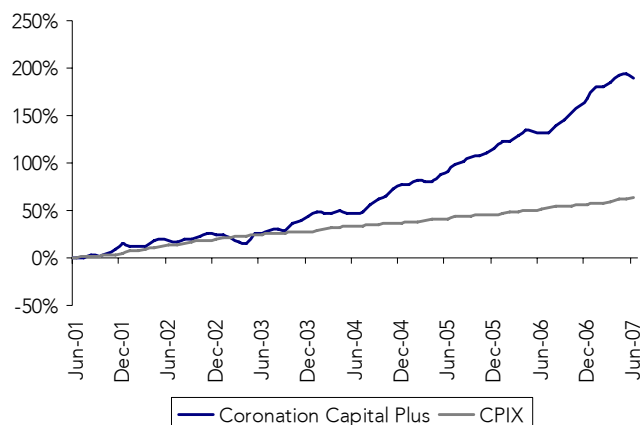
**A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

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	8.01%	6.18%	1.84%
Latest 12 months (annualised)	24.56%	10.25%	14.31%
Latest 36 months (annualised)	25.20%	8.85%	16.35%
Latest 60 months (annualised)	19.36%	9.13%	10.22%
Since inception (annualised)	19.25%	9.75%	9.50%
2006	22.38%	8.97%	13.41%
2005	23.22%	8.03%	15.19%
2004	22.49%	8.29%	14.20%
2003	15.93%	8.05%	7.89%

RISK STATISTICS SINCE INCEPTION

	Fund	CPIX
Annualised deviation	7.67%	1.48%
Downside deviation	3.77%	0.37%
Sharpe ratio	1.25	N/A
Maximum gain	29.49%	N/A
Maximum drawdown	-8.20%	N/A
Positive months	70.83%	N/A

Total Expense Ratio (TER)²

2.56% per annum, which includes a performance fee of 1.05%

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 36-month period, the discounted minimum fee applies.

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