

The Coronation Top 20 Fund appreciated by 12.6% in the first half of the year, taking its 12-month return to 40.3%, compared to the 14.4% and 34.1% return of the index (ALSI40) over these respective periods. Whilst the fund has underperformed the index over the shorter term and we are naturally disappointed with this, over one year the fund has outperformed the index by 6.2% and over longer and more meaningful periods it continues to deliver handsome outperformance of the index. Over the seven years since inception, the fund has generated an annualised average return of 30.5% compared to the 22.6% of the index, resulting in annualised alpha of 8%, and at volatility levels well below that of the index.

Over the past several months the resource shares have continued to drive the market, with the industrials and financial sectors lagging. As a result, we have reduced some of the fund's resource positions as these shares approach fair value and at the same time have been buying selected financial and industrial shares as the growth in their long-term business values exceeds the share price performance, and the gap between what we believe these businesses are worth and the current share price widens. We believe that it makes sense to own more of assets when they get cheaper and less when they get more expensive.

The fund still has 27% of its capital invested in resource shares, however a large part of this is made of two positions (almost 12% in Sasol and 10% in Impala Platinum) with smaller holdings in BHP Billiton and Exxaro Resources. The negative market sentiment towards Sasol continues: the share price has barely increased over the past 18 months against a resource 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.

The largest new purchase over the past few months was a 5% position in Tiger Brands. The fund has held Tiger Brands over the years and the decision to purchase the share again was made after the share price had underperformed the market for some time while the long-term business value had continued to appreciate significantly. This meant that the difference between what we believe the business is worth (long-term fair value) and what the market is valuing the business at (current share price) opened up considerably and gave us the appropriate margin of safety. Tiger Brands owns some of the best consumer brands in the country (All Gold Tomato Sauce, Black Cat Peanut Butter, Colemans mustard, Jungle Oats, Energade, Oros, Enterprise, Gill shampoo, Doom and the list goes on). These brands have pricing power which results in high margins. The free cash flow streams of the business are also more stable and predictable than most. The company is in the process of either selling or unbundling its pharmaceuticals division, which will result in a purer food business with an undergeared balance sheet being separately listed. All of these factors, combined with a p/e multiple of less than 13 on normalised earnings, make for a compelling investment opportunity in our view.

We believe that the fund holds positions in 17 large South African companies that are trading below their true business values and that the fund will continue to generate returns in excess of the market over longer time periods.

Gavin Joubert and Neville Chester
Portfolio Managers

CORONATION TOP 20

Class A
as at 30 June 2007

Fund category
Fund description

Domestic Equity Large Cap
Aims to outperform the FTSE/JSE Top 40 Index, is actively managed and will typically hold no more than 20 large cap stocks at any point in time.
1 October 2000

Launch date

Portfolio manager/s

Gavin Joubert and Neville Chester

Fund size

R1.7 billion

NAV

5550.96 cents

Benchmark/performance fee hurdle

FTSE/JSE Africa Top 40 Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2007
Domestic Assets	100.00%
Equity	99.49%
Oil & Gas	11.76%
Basic Materials	15.36%
Industrials	9.30%
Consumer Goods	13.99%
Healthcare	7.42%
Consumer Services	21.56%
Telecommunications	3.33%
Financials	16.77%
Cash	0.51%
International Assets	0.00%

TOP 10 HOLDINGS

As at 30 June 2007	% of Fund
Sasol Ltd	11.76%
Naspers Ltd – N ordinary shares	11.14%
Woolworths Ltd	10.42%
Impala Platinum Holdings Ltd	9.70%
Remgro Ltd	9.30%
Network Healthcare Holdings Ltd	7.42%
Standard Bank Group	7.35%
Tiger Brands Ltd	5.04%
SABMiller Plc	4.89%
Richemont Securities AG	4.06%
Total	81.08%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2007	01/04/2007	39.11	33.62	5.49
30/09/2006	01/10/2006	99.38	95.65	3.73
31/03/2006	01/04/2006	39.28	32.49	6.79
30/09/2005	01/10/2005	74.38	67.95	6.43

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	6.38%	-1.17%	4.99%	4.01%	-0.68%	-1.29%						
Fund 2006	7.32%	-1.85%	4.99%	2.85%	-3.46%	1.27%	-0.31%	3.44%	2.61%	6.84%	3.65%	6.38%
Fund 2005	1.15%	3.72%	-1.43%	-1.74%	10.08%	3.36%	8.98%	2.69%	5.57%	-1.40%	5.00%	6.69%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee - performance related**	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.50% Sharing rate: 20%

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

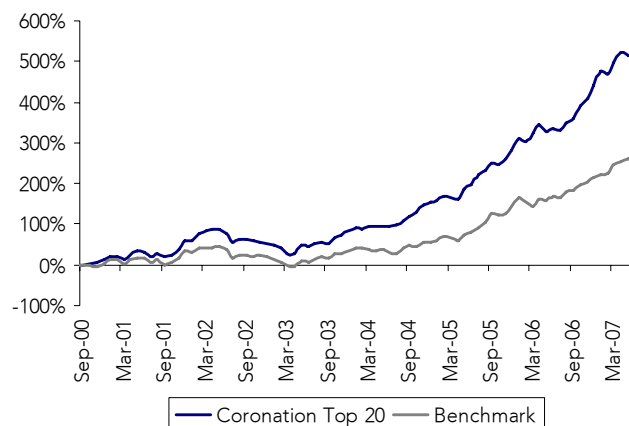
**A portion of Coronation's annual management fee may be paid to administration platforms like LISPs as a payment for administrative and distribution services.

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	12.55%	14.40%	-1.85%
Latest 12 months (annualised)	40.30%	34.09%	6.21%
Latest 36 months (annualised)	45.95%	44.25%	1.70%
Latest 60 months (annualised)	27.66%	23.63%	4.03%
Since inception (annualised)	30.49%	22.64%	7.85%
2006	38.61%	40.90%	-2.28%
2005	50.87%	48.24%	2.64%
2004	38.94%	23.48%	15.47%
2003	20.28%	13.31%	6.98%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	18.00%	19.58%
Sharpe ratio	1.15	0.65
Maximum gain	38.58%	37.42%
Maximum drawdown	-22.28%	-21.54%
Positive months	65.43%	62.96%

Total Expense Ratio (TER)²

1.03% per annum, which includes a performance fee of 0.11%

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 return in line with the benchmark, a standard minimum fee will be levied. If the fund produces a return below the benchmark over a rolling 12-month period, the discounted minimum fee applies.

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