CORONATION BALANCED PLUS FUND

as at 31 March 2007

The Coronation Balanced Plus Fund had a good first quarter, returning 8.1% against 7.5% from the benchmark. For the 12 months to 30 March 2007 the fund returned 29.0%, outperforming its benchmark by 1%. Over a rolling three year period, the fund returned 34.6% p.a. compared to 31% p.a. from the benchmark. This steady compounding of out-performance is what we believe our long-term value proposition to clients is, and our aim is to continue delivering in this regard.

After a prolonged period of prosperity, signs of overheating in the US housing market emerged in the first quarter. The risk that a sub-prime squeeze sparks a broader credit crunch in the US cannot be discounted. That would precipitate a consumer retrenchment which, after years of rising debt levels and declining savings, would put the broader economy at risk of going into recession.

Our base case, however, is not overly bearish. We expect the US economy to experience several quarters of anaemic growth, but do not think that this is a bad thing. The US captures all the headlines but developments elsewhere have actually been very encouraging. A period of slower growth in the US and stronger growth elsewhere will assist in the much-needed global rebalancing process. Of greater concern to us is the recent up-tick in US inflation. If this is sustained, it will make it a lot more difficult for the Federal Reserve to manage the economy through soft periods as effectively as it has in the recent past. Low inflation has been at the core of the prolonged period of prosperity enjoyed by economies around the world because it has enabled central banks to keep interest rates low despite strong growth. A major deterioration in the long-term inflation outlook (once again not our base case) would have negative implications for the asset-friendly environment that investors have enjoyed over the last few years.

Emerging Markets had a strong start to the quarter and then experienced a sell-off towards the end of February. This was inevitable after six strong months in which investors became complacent and clear signs of overheating in financial markets emerged in the key markets of China and India. We remain of the view that Developed Market equities offer better risk-adjusted returns than Emerging Market equities.

The domestic economy continues to surprise with its strength. We remain of the view that the domestic economy is a lot more robust than it was in the boom-bust period of the 1980s and 1990s. This positive long-term outlook will, however, be challenged by a deterioration in the near-term inflation outlook that has been caused by a spike in the oil price and rising food inflation (sparked by expectations of a poor maize crop). This has increased the chance of a rate hike at the next MPC meeting. That would, once again, not be a bad thing. Credit growth has been very strong and many consumers would find themselves in great difficulty were rates to increase materially from current levels. A little restraint from the consumer would help cool the economy down and improve the sustainability of the very real progress made by our economy over the last few years.

Looking at the underlying sectors, Resources outperformed the market strongly after lagging for the last few quarters. BHP Billiton and our platinum holdings added to performance while Sasol detracted. We remain of the view that the long-term price outlook for oil is a lot better than it is for the base metals, where the supply response to high prices will be more marked. In addition to this Sasol is a world class company with good growth prospects that is trading at an undemanding rating. Within Financials, our overweight position in Banks and underweight in the Life Insurers added to performance. Within Industrials, our holdings in Woolworths and Lewis Stores added to performance while Netcare detracted. As we have commented in previous quarterlies, we believe that Netcare's acquisition of GHG will create a lot of value for shareholders, but we stress the point that this will take time.

Bonds had a reasonable quarter, returning 1.6%. We remain of the view that bonds are currently priced for perfection. This situation is very much the case for all Emerging Market bonds (reflected in record-low EMBI spreads). Notwithstanding the support from lower bond issuances over the next few years, we believe yields are just too low to offer investors an attractive real return. At current levels we prefer cash, particularly the yields available in 2-3 year NCDs.

Louis Stassen and Karl Leinberger
Portfolio Managers

CORONATION BALANCED PLUS FUND
as at 31 March 2007

CORONATION FUND MANAGERS

Fund category	Domestic Asset Allocation Prudential Medium Equity
Launch date	15 April 1996
Portfolio manager	Louis Stassen and Karl Leinberger
Fund size	R2 billion
NAV	4557.17 cents
Annual management fee	1.43% (incl VAT)
Initial fee	0.00%
Benchmark	Composite benchmark (63% equity, 22% bonds, 10% international, 5% cash)
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.

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2007
Domestic Assets	85.35%
Equity	62.82%
Oil & Gas	4.98%
Basic Materials	14.44%
Industrials	1.00%
Consumer Goods	5.70%
Healthcare	2.20%
Consumer Services	14.61%
Telecommunications	4.29%
Financials	13.26%
Derivatives	2.34%
Real Estate	2.55%
Fixed Interest	4.68%
Cash	15.30%
International Assets	14.65%
Equity	12.35%
Fixed Interest	0.00%
Cash	2.30%

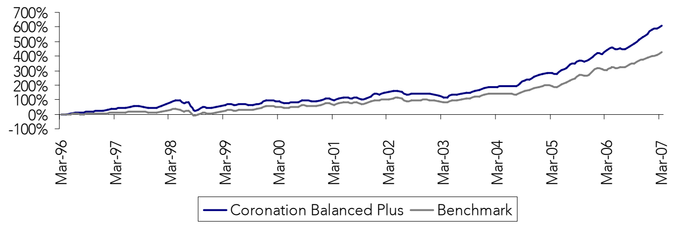
PERFORMANCE AND RISK STATISTICS

	Fund	Benchmark
Year to date	8.09%	7.49%
Latest 12 months	28.99%	27.91%
Latest 36 months (annualised)	34.60%	31.05%
Latest 60 months (annualised)	22.92%	21.84%
Since inception (annualised)	19.44%	16.74%
Annual deviation since inception	16.23%	14.57%
Sharpe ratio	0.44	0.31
Maximum gain	57.74%	29.32%
Maximum drawdown	-29.84%	-23.24%
Positive months	68.94%	65.15%

TOP 10 HOLDINGS

As at 31 March 2007	% of Fund
Coronation Global Equity Fund of Funds	10.59%
Standard Bank Group	5.86%
Impala Platinum Holdings Ltd	5.44%
Naspers Ltd – N ordinary shares	5.03%
Sasol Ltd	4.98%
Woolworths Ltd	3.70%
BHP Billiton Plc	3.20%
ABSA Group Ltd	2.76%
MTN Group Ltd	2.62%
Richemont Securities AG	2.37%
Total	46.55%

CUMULATIVE PERFORMANCE SINCE INCEPTION



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

ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
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%
2002	0.26%	-0.37%	0.63%
2001	20.28%	21.48%	-1.20%
2000	1.15%	5.30%	-4.15%
1999	36.68%	46.67%	-9.99%
1998	-1.51%	-3.15%	1.64%
1997	17.85%	7.21%	10.64%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	4.51%	0.57%	2.83%									
B'mark 2007	2.18%	1.27%	3.88%									
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%
B'mark 2006	6.13%	-1.74%	4.68%	2.99%	-0.95%	1.79%	-0.98%	3.96%	2.61%	3.38%	2.00%	2.89%

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