

The Coronation Top 20 Fund appreciated by 10.4% in the first quarter of the year, taking the one-year return to 38.3%, which is slightly ahead of the return of the ALSI 40.

We believe that longer time periods are far more meaningful than one or two year periods and in the almost seven years since inception, the fund's return has been over 30% per annum, which is some 10% per annum ahead of the return of the ALSI 40.

Whilst we hold the view that all of the fund's holdings still offer value, we are finding it difficult to identify new investment opportunities as the South African equity market continues to appreciate, almost indiscriminately and driven by momentum in certain areas. As a result, the fund's holdings have not changed significantly over recent months, although we did add to some of the existing positions including Sasol, Netcare and Remgro.

The only new purchase was a position in Discovery Holdings which we believe is a good business, run by an excellent management team and where we are not paying much for significant optionality in the US and UK businesses at the current share price. We sold the fund's entire position in Edcon after the announcement of the take-out offer by private equity group Bain Capital and the sharp appreciation of the share from its lows of R26 to closer to the offer price of R46 a share.

Over the past few months we added significantly to the fund's position in Sasol as the share price continued to decline. Sasol is currently arguably the most unloved commodity share in the SA market against a backdrop of a falling oil price and concerns over a windfall tax.

Why buy boring Sasol with this negative news flow and seemingly no prospect of a share price increase over the next few months when you can buy 'exciting' small commodity shares that have strong momentum behind them and seemingly increase every month? Because Sasol has a long, profitable operating history (unlike most of the small-cap commodity shares), has long-life reserves (unlike most of the small-cap commodity shares) and most importantly is very attractively valued (unlike most of the small-cap commodity shares).

We value Sasol using a normalised oil price well below the current oil price and if the long-term oil price is indeed above our estimate, then there will be a net positive accrual to our Sasol valuation even after taking into account a windfall tax. Superior investment returns are seldom achieved by investing where every other investor wants to invest. Few investors want to invest in Sasol today, and we are confident that the fund's additional purchase of Sasol shares will benefit investors in time to come.

Whilst we are struggling to find new investment ideas, we are comfortable that all of the fund's existing holdings are undervalued and will continue to grow their business values over time, and that the fund is therefore positioned to generate attractive returns over the long-term.

**Gavin Joubert and Neville Chester**  
**Portfolio Managers**

Fund category	Domestic Equity Large Cap
Launch date	1 October 2000
Portfolio manager	Gavin Joubert and Neville Chester
Fund size	R1.7 billion
NAV	5482.01 cents
Annual management fee	1.14% (incl VAT)
Performance fee	20% incl VAT (above benchmark, capped at 2.85% p.a.)

<b>Benchmark</b>	FTSE/JSE Africa Top 40 Index
<b>Fund description</b>	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.

### EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2007
<b>Domestic Assets</b>	<b>100.00%</b>
<b>Equity</b>	<b>98.94%</b>
Oil & Gas	10.77%
Basic Materials	19.77%
Consumer Goods	11.41%
Healthcare	7.16%
Consumer Services	21.54%
Telecommunications	5.06%
Financials	23.23%
<b>Cash</b>	<b>1.06%</b>
<b>International Assets</b>	<b>0.00%</b>

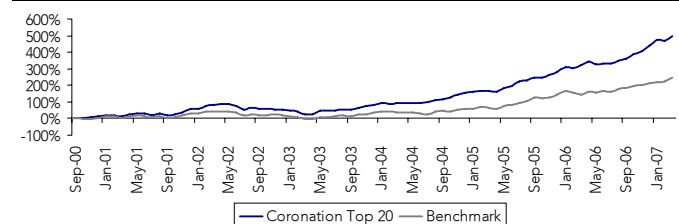
### PERFORMANCE AND RISK STATISTICS

	Fund	Benchmark
Year to date	10.38%	9.71%
Latest 12 months	38.34%	37.81%
Latest 36 months (annualised)	45.29%	39.76%
Latest 60 months (annualised)	26.23%	21.72%
Since inception (annualised)	31.43%	22.81%
Annual deviation since inception	18.24%	19.93%
Sharpe ratio	1.19	0.65
Maximum gain	38.58%	37.20%
Maximum drawdown	-22.28%	-21.54%
Positive months	66.67%	62.82%

### TOP 10 HOLDINGS

As at 31 March 2007	% of Fund
Naspers Ltd – N ordinary shares	10.81%
Sasol Ltd	10.77%
Woolworths Ltd	10.73%
Impala Platinum Holdings Ltd	10.30%
Remgro Ltd	9.08%
Standard Bank Group	7.77%
Network Healthcare Holdings Ltd	7.16%
Richemont Securities AG	6.99%
Telkom SA Ltd	5.06%
SABMiller Plc	4.42%
<b>Total</b>	<b>83.09%</b>

### CUMULATIVE PERFORMANCE SINCE INCEPTION



### 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

### ANNUAL RETURNS SINCE INCEPTION

	Fund	Benchmark	Active Return
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%
2002	-4.59%	-10.69%	6.10%
2001	41.80%	30.08%	11.72%
2000	13.23%	2.10%	11.13%

### MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2007	6.38%	-1.17%	4.99%									
B'mark 2007	1.57%	1.15%	6.78%									
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%
B'mark 2006	8.93%	-4.14%	7.42%	4.55%	-2.17%	4.79%	-1.92%	5.38%	2.42%	4.16%	2.20%	4.01%