

The fund appreciated by 15.2% in the first nine months of the year, taking its one year return to 35.7%, compared to the 23.2% and 36.4% return of the benchmark over these respective periods. Whilst the fund has underperformed the benchmark over the shorter term, and we are naturally disappointed with this, over longer and more meaningful periods it continues to deliver handsome outperformance of the benchmark. Over the seven years since inception the fund has generated an annualised average return of 29.7%, compared to the 23.0% of the benchmark, resulting in annualised alpha of 6.7%, and at volatility levels well below that of the benchmark.

Resource shares continue to be the primary driver of the market's returns and in fact year-to-date 14% of the market's 23% return is explained by one share: Billiton, which has appreciated by 90% year-to-date. Stripping out the impact of Billiton, the market has only appreciated by 9%, reflecting the more subdued performance of most of the larger capitalisation industrial and financial shares. The fund has held a 5% position in Billiton as well as other selected commodity shares (Sasol, Impala Platinum and Exxaro Resources) and has benefited from the appreciation in these shares, but at the same time the fund has had over 2/3rds of its assets invested in industrial and financial shares, and this has had a negative impact on performance. Our investment approach is valuation-driven and we insist on an appropriate margin of safety, and in this regard we hold the view that valuations are generally more attractive amongst the industrial and financial shares than the commodity shares. As importantly, we have far better downside protection in the industrial and financial shares than we do in the resource shares. Given the appreciation of commodity shares since the August sell-off, we have continued to reduce the fund's commodity exposure as the shares that the fund holds approach what we believe is the true underlying value of these businesses. Resource shares now make up 22% of the portfolio as opposed to 27% at the end of June.

The fund's largest position remains to be its holding in Naspers. More recently, the market appears to be concerned by the entry of pay-tv competitors into the market: Four licences were issued in September breaking Naspers' (DSTV/MNet Supersport) 25 year monopoly in this market. Our view is that these new competitors will not have a meaningful impact on Naspers financial performance over the next 3 to 5 years.

The reasons for this are numerous but key amongst these reasons are the fact that the barriers to entry in the pay-tv industry are very high (high capital costs, ownership and securing of content, branding); our view that the SA pay-tv market is still significantly under-penetrated, and that the overall market will continue to grow (from 1.5 million today to perhaps 2.5m or more over time) leaving room for Naspers and new competitors to all add subscribers. In addition to this we believe that new products (PVR, Pay-per-view, High Definition Television) will continue to drive the revenue line of DSTV/MNet Supersport. Naspers also has several other sources of media revenue and earnings streams (Pay-TV Africa, PayTV Greece, Media24, Tencent, MWeb etc) and many of these contributions will increase over time. Lastly, we believe that the valuation of Naspers continues to be very attractive, with the implied free cash flow multiple on the pay-tv businesses making it the cheapest pay-tv stock globally, and by some margin.

Many of the fund's other large holdings (Woolworths, Standard Bank and Tiger Brands) continue to be unloved by investors. All of these companies have exceptional long-term profitability records and in our view will continue to deliver superior earnings growth in the years to come. Most importantly, we believe that all three of these shares are very attractively valued and are currently being priced on concerns over the shorter-term (6 months to 1 year) and not on what these businesses are worth on a 5 to 10-year view.

We believe that the fund holds positions in 18 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 September 2007

Fund category Domestic Equity Large Cap
Fund description 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.
Launch date 1 October 2000

Portfolio manager/s Gavin Joubert and Neville Chester
Fund size R1.7 billion
NAV 5680.03 cents
Benchmark/performance fee hurdle FTSE/JSE Africa Top 40 Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2007
Domestic Assets	100.00%
Equity	96.28%
Oil & Gas	7.19%
Basic Materials	19.00%
Industrials	9.94%
Consumer Goods	12.59%
Healthcare	5.94%
Consumer Services	22.80%
Telecommunications	3.13%
Financials	15.69%
Cash	3.72%
International Assets	0.00%

TOP 10 HOLDINGS

As at 30 September 2007	% of Fund
Naspers Ltd – N ordinary shares	11.44%
Impala Platinum Holdings Ltd	10.55%
Woolworths Ltd	8.63%
Remgro Ltd	8.43%
Standard Bank Group	7.53%
Sasol Ltd	7.27%
Network Healthcare Holdings Ltd	6.00%
BHP Billiton Plc	5.25%
SABMiller Plc	5.23%
Tiger Brands Limited	4.95%
Total	75.28%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/09/2007	01/10/2007	57.68	55.34	2.34
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

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%	-1.18%	1.67%	1.85%			
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 (LISP's).

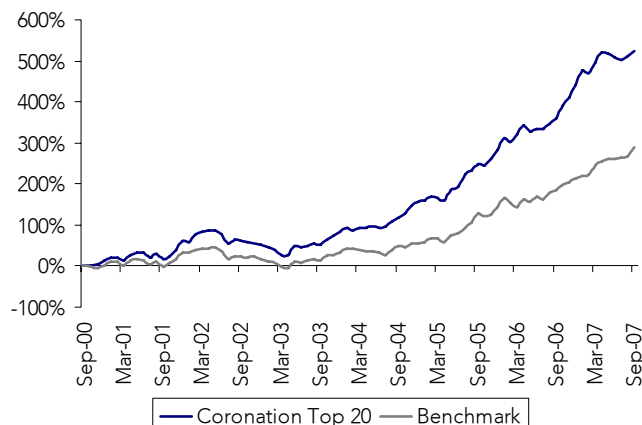
** A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

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	15.17%	23.19%	-8.02%
Latest 12 months (annualised)	35.68%	36.39%	-0.71%
Latest 36 months (annualised)	41.24%	39.83%	1.41%
Latest 60 months (annualised)	30.70%	28.45%	2.24%
Since inception (annualised)	29.68%	23.04%	6.64%
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	17.73%	19.27%
Sharpe ratio	1.12	0.68
Maximum gain	38.58%	37.42%
Maximum drawdown	-31.72%	-33.46%
Positive months	65.48%	64.29%

Total Expense Ratio (TER)²	1.17% per annum, which includes a performance fee of 0.22%
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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.