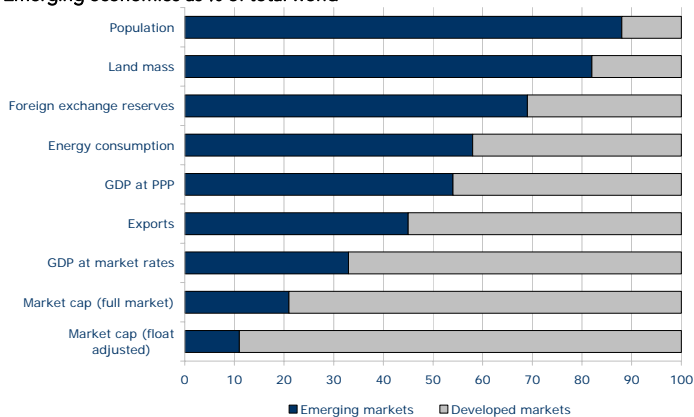


The Coronation Global Emerging Market Fund launched on 28 December 2007 after a 2 year preparation process, which included the hiring of a team of six investment professionals and the researching of stocks within the emerging market universe for potential inclusion in the portfolio.

Whilst emerging markets have just experienced 5 years of 30% per annum appreciation, resulting in valuations that are at the high end of their historical range, we believe that the long-term (5-10 year) potential investment opportunity is still extremely compelling. This is perhaps best illustrated by the table below which shows that whilst 85% of the world's population live in emerging markets, these markets only contribute 30% of the world's GDP and make up 20% of the world's stock market capitalization. Given the economic growth rates in emerging markets (more than double that of developed markets) within the next 25 years emerging markets are likely to make up 50% of the world's GDP and in turn it's quite possible that the market capitalisation approaches a similar ratio.

Emerging economies as % of total world



Source: Merrill Lynch, BP, CIA World Factbook, Cactset, IMP World Economic Outlook, Thomson Datastream, Bloomberg

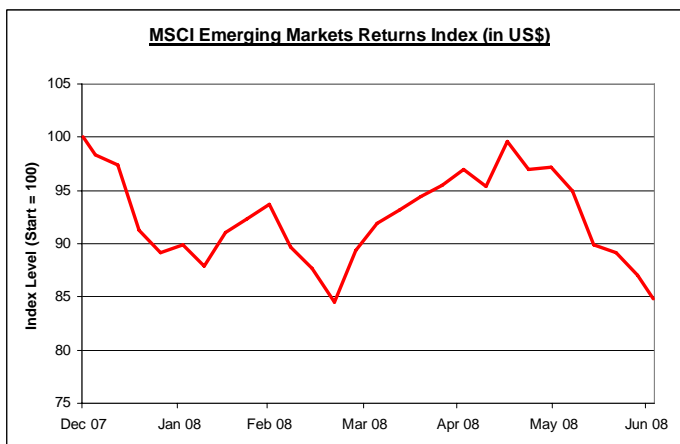
We are certainly cautious of emerging market valuations in general at the moment. However, just as there are always shares in any stock market that are in favour and as a result arguably overvalued and shares that are out of favour and arguably undervalued, the same holds true in emerging markets. Today, countries like Brazil, Russia, India and China (the so-called BRIC countries) are very much in favour, with the result that valuations are in our view generally unattractive. At the same time, there are many countries like Mexico, Turkey, Korea and South Africa (and companies in these countries) that are out of favour with resultant valuations that are in our view very attractive. As a result, the portfolio has a relatively small amount invested in the BRIC countries and a relatively large amount invested in Mexico, Turkey, Korea and South Africa.

The mandate of the fund has been designed to be as flexible as possible, to enable the fund to hold large holdings of cash should attractive opportunities not be available due to valuation levels. The fund started the year with very high levels of cash (some 40% - 50% of the portfolio during January) but bought as equities declined during January and February. We continued to add to equity exposure with the result that the fund is now 90% invested in equities and 10% in cash.

Over the past six months, the fund has built up positions in several great businesses across a range of emerging markets at what we believe are very compelling valuations. While we will discuss many of these investments in more detail in future reports, opposite we provide investors (and potential investors) with a feel for the holdings in the portfolio:

- Naspers (South Africa): owner of dominant Pay-TV assets in South Africa and Africa as well as stakes in leading internet assets in China, Poland and Russia
- Gazprom (Russia): owner of the largest gas reserves in the world
- Sberbank (Russia): largest and dominant bank in Russia
- America Movil (Mexico): #1 mobile operator in Latin America
- Grupo Televisa (Mexico): dominant media (TV and Pay-TV) owner in Mexico
- Cemex (Mexico): 3rd largest cement company in the world
- Coca-Cola Femsa (Mexico): #1 Coca-Cola bottler in Latin America
- Embotelladora Andina (Chile): Coca-Cola bottler in Chile, Argentina and Brazil
- Telkom Indonesia: #1 mobile and fixed-line operator in Indonesia
- Garanti (Turkey): One of the 5 largest banks in Turkey
- Focus Media Holding (China): dominant owner of out-of-home media assets in China
- Bovespa Holdings (Brazil): operator of the Bovespa Stock Exchange.

Emerging markets can be very volatile and this year has been no different. The graph below shows the performance of the MSCI Global Emerging Market index (in US dollars, based to 100) from 1 January to early July. In the space of just six months, emerging markets fell by 12%, appreciated by 11%, declined by 14%, rose by 18%, and finally fell by 14%! We include this merely to make the point that we would encourage potential investors in the fund only to invest if they are prepared to take a long-term view and can stomach short-term volatility.



A 6-month period, or indeed even a 1 or 2 year period is far too short to draw any conclusions on performance. That said, the fund has had a reasonable start with a return of +7.3% year-to-date compared to the 1.5% return from the MSCI GEM index. The prospects for emerging markets over the next 10 years are very exciting and there are numerous great businesses to be found in these markets at attractive valuations. We look forward to the challenge of uncovering the best of these opportunities and in doing so, achieving the fund's objective of generating capital appreciation over the longer-term by investing in emerging markets.

Gavin Joubert & GEM Team
Portfolio Managers

Fund category	Foreign Asset Allocation Flexible
Fund description	Aims to provide long-term capital appreciation by investing in global emerging markets.
Launch date	28 December 2007

Portfolio manager/s	Gavin Joubert and GEM team
Fund size	R64.6 million
NAV	105.96 cents
Benchmark/performance fee hurdle	USD 3 month LIBOR + 5% p.a.
Benchmark (as from 5 August 2008)	MSCI GEM Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

	30 June 2008
Equities	89.61%
South Africa	15.48%
Mexico	13.11%
Russia	8.84%
China	8.18%
Brazil	7.11%
Korea	5.38%
Turkey	5.30%
Philippines	4.74%
Indonesia	3.10%
Malaysia	3.06%
Thailand	2.47%
Chile	2.14%
Taiwan	2.00%
Hong Kong	1.41%
Australia	1.36%
DRC	1.14%
Israel	1.13%
Czech Republic	0.85%
India	0.78%
Zimbabwe	0.75%
Tanzania	0.72%
Estonia	0.55%
Cash	10.39%
USD	6.28%
ZAR	1.98%
Euro	1.69%
Taiwanese New Dollar	0.44%

TOP 10 HOLDINGS

As at 30 June 2008	% of Fund
Naspers Ltd – 'N' shares (South Africa)	4.84%
Telekomunik Indonesia (Indonesia)	3.10%
America Movil (Mexico)	2.85%
Sberbank PFD (Russia)	2.84%
OAQ Gazprom (Russia)	2.81%
Cemex S.A.B. (Mexico)	2.51%
Grupo Televisa SA (Mexico)	2.45%
Turkiye Garanti Bankasi (Turkey)	2.23%
Tiger Brands Ltd (South Africa)	2.20%
Embotelladora Andina (Chile)	2.14%
Total	27.97%

INVESTMENT OBJECTIVE

The fund aims to provide long-term capital appreciation by investing in global emerging markets, and achieve these returns with lower volatility than available from investing in relevant equity market indices.

INVESTMENT MANDATE

A flexible, global emerging markets fund that aims to deliver capital growth through active asset allocation with a long-term bias towards equities and a focus on stock picking. The fund will follow a valuation-driven investment philosophy, with a strong focus on potential downside risk in each investment made.

The fund will primarily invest in equity securities of companies based in emerging markets or in equity securities that derive a significant portion of their revenue from emerging markets. In addition, the fund can invest in bonds and cash and has a flexible mandate that enables it to hold high levels of cash, should equity valuations in emerging markets be unattractive.

Emerging markets in which the fund may invest currently include, but are not limited to, Argentina, Brazil, Chile, China, Colombia, Croatia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, South-Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey.

PERFORMANCE AND RISK STATISTICS¹

	Fund	Benchmark	Out-performance
Year to date	7.26%	N/A	N/A
Since inception (annualised)	N/A	N/A	N/A

RISK AND RETURN STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised average return	N/A	N/A
Annualised deviation	N/A	N/A
Downside deviation	N/A	N/A
Sharpe ratio	N/A	N/A
Maximum gain	N/A	N/A
Maximum drawdown	N/A	N/A
Positive months	N/A	N/A

Risk and Return Statistics will be published once a nine-month track record has been established.

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.50% Maximum: 3.50% Sharing rate: 15%

* 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.

Total Expense Ratio (TER)²

The TER cannot be accurately determined and will be in line or higher than the quoted annual management fee.

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 or below the benchmark, the minimum fee will be levied.

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

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.