CORONATION MARKET PLUS

Class A
as at 30 June 2008

It was another difficult quarter for all asset classes, except cash. Global markets came under extreme selling pressure and domestic equities, other than resources continued to decline. Bonds and property were also hit hard by a worsening inflation outlook. The fund was down -3.3% against the benchmark of -0.3%.

We have entered a remarkable period in the equity markets. Over the past few quarters we have warned that the returns earned for the past 4 years would not be repeated, however, the actual decline in SA industrial and financial stocks over the past 6 months has been extreme. It is an exciting time for investors to be able to get into the equity market and once again achieve stellar returns over a 5 year investment view (as achieved over the past 5 years to the end of 2007).

The fund has increased its equity weighting and is likely to increase further as good investment opportunities arise. When equity is cheap the fund will own more, and it has not been this cheap for a good 5 years. Property, which we have avoided till now, is also starting to look attractive and we have started adding to the better quality names at good yields. Preference shares remain an attractive source of after tax yield, but bonds currently offering a negative real yield, are still not attractive. Instead 3 and 4 year NCDs offering positive real yields have been added to the portfolio.

Buying opportunities are never clear cut in a market driven by sentiment. Obviously the outlook and economic expectations need to be cloudy or else the share prices would never fall to such attractive levels. The true long term investor needs to look through the short term gloom and identify truly good businesses which are trading on unrealistically low valuations. As we have said many times before, we don't buy in anticipation of 'catalysts'; this is a red herring because once a catalyst is known it is reflected in the price. Rather, we buy where we have confidence in the long term earnings power of a business and therefore confidence in its normalised valuation. Thereafter the passage of time always results in the true value being unlocked.

The idea of a flexible fund like the Coronation Market Plus Fund is to take advantage of the market mispricing assets in order to achieve long-term inflation beating returns. To be moving to cash now gives one the certainty of earning 10% to 12% for the next 12 months, but one then faces the very real re-investment risk of having to invest in cash instruments yielding substantially less thereafter. At the end of 2002 call rates were yielding an attractive rate of 13% and equity markets had fallen by 10% that year. Within a year, the call rate had fallen to 7.7% and for the next 5 years the equity markets returned a compound return of 25% per annum. A lot of market participants lost out on this return, given the conservative asset allocation assumed by many investors after the volatility in 2002/2003.

While the benefits of hindsight indicate a low equity weighting and high cash holding were preferable over the past 12 months, one shouldn't let this cloud one's judgement of the potential returns attainable going forward. The road ahead is likely to be bumpy, but when assessing the balance of risks and the valuations of a number of solid businesses with excellent franchises and good cash flows, the obvious asset class is equities. Both locally and offshore we will be maintaining and increasing the equity weightings to benefit from what appears to be an asymmetric payoff profile, where downside is limited and upside return very attractive.

Neville Chester
Portfolio Manager

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CORONATION FUND MANAGERS

Fund category	Domestic Asset Allocation Flexible	Portfolio manager	Neville Chester
Fund description	Invests across various domestic and international asset classes, with a bias towards the equity market over the investment cycle.	Fund size	R1.1 billion
		NAV	3402.94 cents
		Benchmark/performance fee hurdle	Composite Benchmark (63% equity, 22% bonds, 10% International, 5% cash) + 2% p.a.
Launch date	2 July 2001		

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 June 2008
Domestic Assets	84.33%
Equity	60.86%
Oil & Gas	2.14%
Basic Materials	13.34%
Industrials	8.37%
Consumer Goods	8.69%
Healthcare	2.10%
Consumer Services	11.17%
Telecommunications	2.82%
Financials	12.23%
Preference Shares & Other Securities	10.81%
Real Estate	4.99%
Fixed Interest	1.38%
Cash	6.29%
International Assets	15.67%
Equity	15.67%

TOP 10 HOLDINGS

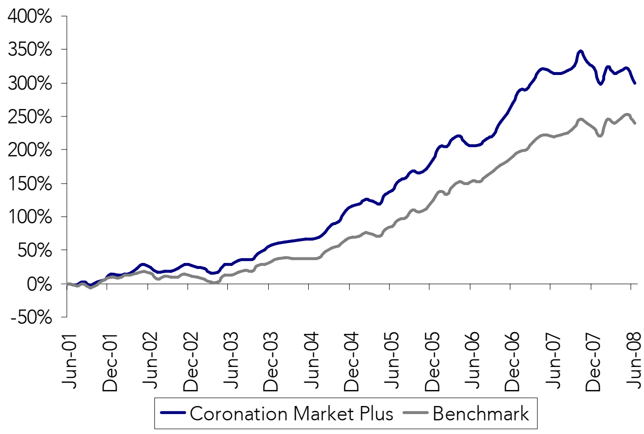
As at 30 June 2008	% of Fund
Coronation World Equity Fund	13.09%
Standard Bank Group Ltd	5.87%
Naspers Ltd	5.31%
Impala Platinum Holdings Ltd	3.92%
Richemont Securities AG	3.74%
BHP Billiton Plc	3.30%
ABSA Preference Shares	3.15%
Remgro Ltd	2.63%
Bidvest Group Ltd	2.52%
Tiger Brands Ltd	2.31%
Total	45.84%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2008	01/04/2008	28.76	22.59	6.17
30/09/2007	01/10/2007	30.31	24.24	6.07
31/03/2007	01/04/2007	27.70	15.49	12.21
30/09/2006	01/10/2006	38.34	28.57	9.77

PERFORMANCE AND RISK STATISTICS[1]

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Composite Benchmark	Composite Benchmark + 2%
Year to date	-5.28%	2.18%	3.18%
Latest 12 months	-3.42%	5.94%	7.94%
Latest 36 months (annualised)	18.77%	22.41%	24.41%
Latest 60 months (annualised)	25.50%	24.69%	26.69%
Since inception (annualised)	21.91%	18.39%	20.39%
2007	14.20%	14.00%	14.84%
2006	29.15%	29.99%	31.99%
2005	33.05%	32.52%	34.52%
2004	35.91%	26.41%	28.41%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	11.53%	11.02%
Sharpe ratio	1.05	0.95
Maximum gain	36.70%	N/A
Maximum drawdown	-11.11%	N/A
Positive months	70.24%	N/A

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	-5.74%	6.41%	-2.35%	1.05%	0.71%	-4.97%						
Fund 2007	5.07%	0.53%	3.43%	3.79%	0.05%	-1.28%	-0.01%	1.02%	1.80%	5.15%	-3.81%	-1.96%
Fund 2006	6.30%	-0.01%	3.86%	1.27%	-3.24%	-0.92%	0.05%	3.16%	1.79%	5.92%	3.82%	4.30%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee - performance related**	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 3.75% 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.

Total Expense Ratio (TER)[2]

1.99% per annum, which includes a performance fee of 0.57%

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 positive return in line with or below the benchmark, a standard minimum fee will be levied. If the fund produces a negative return over a rolling 60-month period, the discounted minimum fee applies.

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.

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