CORONATION MONEY MARKET

Class A
as at 30 June 2008

CORONATION FUND MANAGERS

The past quarter can only be termed as the bad news quarter, which came through in big waves, bringing with it higher price volatility and ever decreasing confidence. Compared to a year ago, there is not much to be happy about. But knowing that markets work in cycles and always bounce back, the current market presents a great buying opportunity for long-term investors.

We saw the repo rate being raised by a further 1% over the period (0.5% in April and June), taking it to 12%. Short term interest rates have more than doubled since the beginning of this interest rate cycle, with deposit rates now at 14% compared to 7% in 2006.

Eskom's price increase for this year of 27.5% was confirmed in June. When factored into inflation, the CPIX forecast peaks at over 12% - clearly a worrying figure. Once again, inflation is a cycle and the ten interest rate hikes to-date are designed to bring down inflation. Economists furthermore expect the decline in inflation to be aided by the 5-yearly re-weighting of the CPIX basket in January 2009.

The rand price of oil is up more than 100% from a year ago. The direct contribution to inflation from oil has been huge, which is quite clearly visible in the petrol price. But the indirect impact of higher oil prices is also notable, take for example the price of maize. Two important inputs into maize production are diesel and fertiliser, both oil by-products which are now causing a renewed surge in the maize price. It would appear that inflation and interest rates will deteriorate further before declining.

Money market rates have topped out but the FRA curve continues to price in a further 1% hike in interest rates (reflected in the 1 year NCD rate of 14%). The Coronation Money Market Fund has a small holding in the attractively priced 12 month NCD, but 23% exposure to floating rate investments which reset every 3 months and provide up to 0.5% additional yield over the reference rate, JIBAR. These act as an interest rate hedge. The fund has built up a holding in high yielding, short dated corporate paper issued by blue chip companies such as Anglo American, Toyota, SAB, Transnet and Aspen Pharmacare; companies which have recently started to tap short term funding in the domestic money market.

The Coronation Money Market Fund returned 2.8% for the second quarter and 10.70% for the last 12 months. The short duration of the portfolio (currently 80 days) has protected investors from the negative mark to market effect that rising interest rates have had on the bond market (All Bond Index lost 4.9% for the quarter) affording investors a level of capital protection not available from any other asset class.

Tania Miglietta
Portfolio Manager

CORONATION MONEY MARKET
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CORONATION FUND MANAGERS

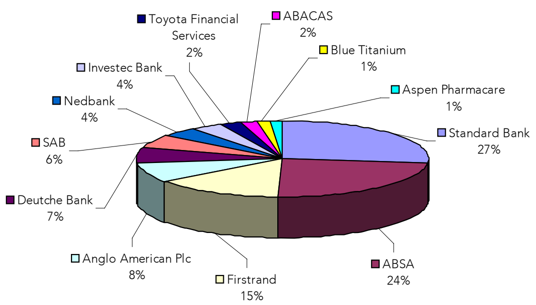
Fund category	Domestic Fixed Interest Money Market	Portfolio manager	Tania Miglietta
Fund description	To outperform fixed deposits and call accounts, while ensuring capital preservation, stability and liquidity.	Fund size	R1.7 billion
		NAV	100.00 cents
		Benchmark	Alexander Forbes 3-month (STeFI) Index
Launch date	1 October 1999		

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Maturity Band	30 June 2008
0 – 3 months	68.02%
4 – 6 months	7.52%
7 – 9 months	13.46%
10 – 12 months	11.00%

CREDIT EXPOSURE
As at 30 June 2008



PERFORMANCE AND RISK STATISTICS[1]

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	5.52%	5.47%	0.05%
Latest 12 months	10.70%	10.63%	0.07%
Latest 36 months (annualised)	8.60%	8.64%	-0.04%
Latest 60 months (annualised)	8.53%	8.52%	0.01%
Since inception (annualised)	9.63%	9.71%	-0.08%
2007	9.44%	9.41%	0.03%
2006	7.27%	7.45%	-0.18%
2005	7.05%	7.04%	0.01%
2004	7.87%	7.78%	0.09%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	0.53%	0.57%
Sharpe ratio	-0.95	-0.75
Maximum gain	123.51%	124.90%
Maximum drawdown	0.00%	0.00%
Positive months	100.00%	100.00%

INCOME DISTRIBUTIONS

Declaration	Payment	Yield
30/06/2008	01/07/2008	12.26
31/05/2008	01/06/2008	11.88
30/04/2008	01/05/2008	11.40
31/03/2008	01/04/2008	11.26

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	0.87%	0.85%	0.91%	0.89%	0.91%	0.97%						
Fund 2007	0.74%	0.64%	0.70%	0.73%	0.74%	0.70%	0.78%	0.78%	0.72%	0.87%	0.81%	0.85%
Fund 2006	0.58%	0.51%	0.56%	0.51%	0.60%	0.56%	0.58%	0.61%	0.58%	0.66%	0.65%	0.64%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	0.30%
* 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]	0.35% per annum

Advice Costs (excluding VAT)

- An ongoing advice fee may be facilitated on agreement between the Client and Financial Advisor.
- Ongoing advice fees may be negotiated to a maximum of 0.25% per annum 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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