CORONATION PROPERTY EQUITY

Class A
as at 30 June 2008

CORONATION FUND MANAGERS

The domestic listed property index delivered a total return of -19.6% for the quarter. Listed property yields usually track long bond yields and with yields weakening by nearly 150 bps, listed property yields followed suit. Inflationary risks and the subsequent potential interest rate increases were the main drivers behind these yield increases. The extent of the listed property yield increase has overshot that of bond yields, indicating a return to risk aversion, partly due to the combination of thin volumes and wide market spreads pushing prices down when forced sellers liquidate their positions. All of this resulted in a 28.4% total return for listed property over the past six months.

As in the previous quarter the fund benefited from the inclusion of Liberty International. Despite the strength of the local currency against the British pound over the quarter, the share price outperformed the local index by 5.5%. Capital values in the UK direct and listed property market remain under pressure as the liquidity crunch on debt funding, consumer slowdown and higher inflation all impact property values. Growth in rental levels for quality regional retail assets, the bulk of Liberty International's exposure, remains resilient. This supports the attractive long-term value we see in the share and therefore continue to include the maximum 10%.

The fund continues to be defensively positioned within South African focused companies leaning towards defensive portfolios which include super regional shopping centres. This may intuitively seem aggressive in the current consumer environment, but in the past this asset type has shown to be the most resilient in an uncertain macro economic environment. Rental levels tend to be less volatile while the turnover of food retailers, which are mostly the anchor tenants, should benefit from a higher inflation environment. Unfortunately the companies with this kind of exposure tend to be the larger and more easily tradable counters. With the increase in risk aversion towards interest rate sensitive sectors on the local bourse, it was mostly these counters which investors used to decrease their exposure to listed property. This led the fund to perform in line with the domestic listed property index for the quarter. Most of the fund activity during the period related to these shares, reducing our exposure to counters like Fountainhead, Apexhi and Liberty International, where the maximum permissible level has been breached. The exposure to Sycom was also reduced as the share lost its value appeal relative to the sector in the first part of the quarter as a dedicated buyer provided an underpin to the share price.

A wave of consolidation conclusions occurred during the past few months. Resilient finalised the acquisition of Diversified, while Pangbourne concluded the take-out of its sister companies iFour and Siyathenga. The consolidation trend is seen as key in attracting international investors to the local sector. However, it is important that such deals are value enhancing for current shareholders over the long-term. This determinant is probably the main reason behind the withdrawal of the potential tie-up within the Madison managed group of companies, Hyprop, Apexhi and Redefine.

Short term interest rate risks still prevail, most of them linked to the macro economic environment. These include on the one hand, a prolonged higher interest and inflation rate environment and the potential negative impact on bond yields, and on the other, a downturn in both the investment and occupier markets of commercial property (in line with what has been happening on a global level). We remain confident that the long-term value in the listed property sector prevails as the sector average forward yield of 12.0% is above that of long bond yields, while above average distribution growth should remain in place for the next 2 to 3 years. We believe that a relative value unwind should occur within the next two main company reporting periods as company earnings streams which are dependent on development pipelines start to come under pressure, as well as those with predominantly below par property exposure.

Edwin Schultz
Portfolio Manager

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CORONATION FUND MANAGERS

Fund category	Domestic Real Estate General	Portfolio manager	Edwin Schultz
Fund description	Invests in quality listed property assets with the aim to produce high income yields and long-term capital growth.	Fund size	R725.7 million
		NAV	2136.43 cents
		Benchmark	Domestic Real Estate General Mean
Launch date	20 November 2000		

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 June 2008
Domestic Assets	100.00%
Preference Shares & Other Securities	3.38%
Real Estate	95.56%
Cash	1.06%
International Assets	0.00%

TOP 10 HOLDINGS

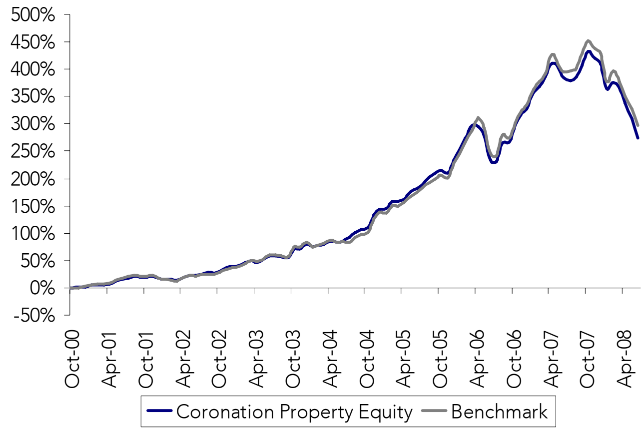
As at 30 June 2008	% of Fund
Hyprop Investments Ltd	16.06%
Fountainhead Property Trust	15.25%
Growthpoint Properties Ltd	10.85%
Acucap Properties Ltd	10.53%
Apexhi Properties Ltd	10.49%
Liberty International Plc	10.41%
Syfrets and CU Property Fund	8.89%
Resilient Property Income Fund	7.16%
Hospitality Property Fund A	3.49%
Foord Compass Ltd	3.38%
Total	96.51%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/06/2008	01/07/2008	42.61	3.84	38.77
31/03/2008	01/04/2008	38.81	-	38.81
31/12/2007	01/01/2008	24.76	-	24.76
30/09/2007	01/10/2007	48.59	3.48	45.11

PERFORMANCE AND RISK STATISTICS[1]

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	-26.35%	-24.69%	-1.66%
Latest 12 months	-22.64%	-19.51%	-3.13%
Latest 36 months (annualised)	9.97%	12.32%	-2.35%
Latest 60 months (annualised)	18.65%	20.34%	-1.69%
Since inception (annualised)	18.90%	19.56%	-0.66%
2007	18.79%	21.76%	-2.97%
2006	28.40%	25.19%	3.21%
2005	36.69%	42.07%	-5.38%
2004	35.27%	35.00%	0.27%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	13.66%	14.34%
Sharpe ratio	0.66	0.70
Maximum gain	54.76%	40.98%
Maximum drawdown	-29.69%	-28.03%
Positive months	68.13%	64.84%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	-8.73%	2.59%	-2.19%	-6.03%	-6.26%	-8.71%						
Fund 2007	6.76%	2.30%	3.97%	5.27%	-1.68%	-3.78%	-0.93%	1.51%	4.36%	4.84%	-2.38%	-2.20%
Fund 2006	5.73%	5.98%	6.20%	-0.22%	-4.15%	-12.36%	-0.57%	10.64%	0.18%	8.27%	5.16%	2.59%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee**	1.25%
* 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]	1.42% per annum

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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Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up. Past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Instructions must reach the Management Company before 2pm (12pm for the Money Market Fund) to ensure same day value. Forward pricing is used. A member of the Association of Collective Investments, South Africa. [1]Performance is quoted from Morningstar as at 30 June 2008 for a lump sum investment using Class A NAV prices with income distributions reinvested. [2]The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end March 2008. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.