

The past quarter was extremely volatile. Relative to the benchmark, the fund's performance was poor, returning 4.9% versus the 9.7% from the benchmark. This had a negative impact on longer period returns, bringing the fund to 37.6% for the 12-month period relative to the benchmark's 42.4%.

While we struggled to keep up with the rampant resources index's total return of 13.4% for the quarter, our colleagues had to contend with the financial and industrial index (FINDI) falling by 6.4% (including the dividends paid during the quarter). Over the last 12 months, the total return of the resources index was 39.9%, while the FINDI returned a negative 12%!

The global economic picture is indeed gloomy. Consumers in the western world are suffering a terrible hangover from years of living above their means, and inflation caused by high food and energy prices has impacted the world over. Central banks are divided on whether to cut interest rates to sustain growth, or to raise them to fight inflation. The South Africa Reserve Bank has chosen the latter route, which has led to a very pronounced slowdown in consumer spending. The only light in the dark global tunnel is the continuing strong performance of China and some of the other emerging markets.

Copper, precious metals and the rand were relatively flat over the quarter. Increased supply led to large declines in the smaller base metals. Nickel (-27%), zinc (-19%) and lead (-38%) continued their declines. In contrast, energy commodities oil (+35%) and thermal coal (+29%) and steel making raw materials iron ore (+85%), coking coal (+200%) and manganese (+36%) experienced large increases.

The relatively poor performance of the fund was due in large to our not owning those shares which benefited from the strong steel and steel making materials prices, such as Merafe (+34%), Assore (+30%) and Mittal Steel (+13%). In addition to which, one of our biggest positions, Mondi, suffered a 32% decline in the share price over the quarter.

With Mondi 30% lower than 3 months ago, we are even more excited about the opportunity for excellent long-term returns from this company. Our faith seems to be shared by management, who have bought R50 million worth of shares in their personal capacity over the last year. Mondi is trading at well below the value of their tangible assets and we have increased our holding in the company.

This quarter we also welcome Duane Cable as co-fund manager. Duane has been a great asset to the Coronation team since joining two years ago and will bring new vigour to the fund.

Henk Groenewald & Duane Cable
Portfolio Manager

Fund category	Domestic Equity Resources & Basic Industries
Fund description	Invests in a broad range of resource and basic industry counters that are affected by changes in the commodity cycle.
Launch date	1 October 1999

Portfolio manager	Henk Groenewald & Duane Cable
Fund size	R316.9 million
NAV	10556.08 cents
Benchmark	Resources & Basic Industries Sector Mean

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 June 2008
Domestic Assets	73.66%
Equity	72.02%
Oil & Gas	7.02%
Basic Materials	64.11%
Industrials	0.89%
Cash	1.64%
International Assets	26.34%
Equity	25.05%
Commodities	1.09%
Cash	0.20%

TOP 10 HOLDINGS

As at 30 June 2008	% of Fund
BHP Billiton Plc	10.04%
Anglo American Plc	9.43%
Impala Platinum Holdings Ltd	8.32%
Mvelaphanda Resources Ltd	8.13%
Mondi Plc	7.89%
Sasol Ltd	7.02%
Anglogold Ashanti Ltd	5.37%
Exxaro Resources Ltd	3.93%
African Oxygen Ltd	3.87%
Keaton Energy Holdings Ltd	3.22%
Total	67.22%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2008	01/04/2008	39.88	25.30	14.58
30/09/2007	01/10/2007	49.52	37.48	12.04
31/03/2007	01/04/2007	41.93	34.84	7.09
30/09/2006	01/10/2006	34.32	30.33	3.99

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	3.75%	13.32%	0.74%	1.77%	6.22%	-2.94%						
Fund 2007	5.81%	3.21%	9.33%	3.02%	2.87%	1.20%	2.91%	0.82%	9.47%	2.41%	-2.45%	-2.39%
Fund 2006	10.32%	-5.97%	8.00%	6.12%	-0.09%	9.03%	-3.33%	4.25%	1.61%	5.54%	5.38%	1.79%

FEES (excl. VAT)

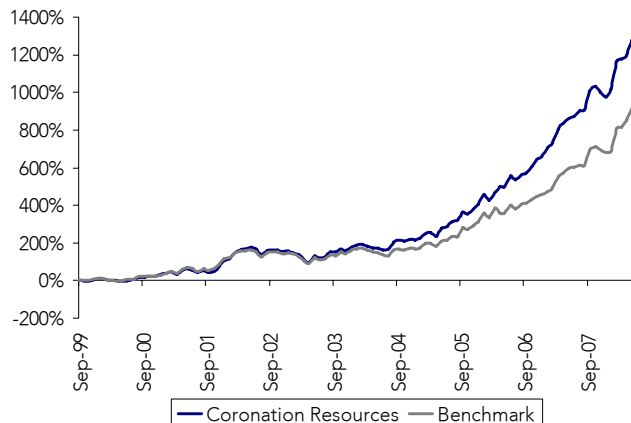
Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee**	1.00%
<small>*An initial fee of 0.25% will be charged on all investments placed via administration platforms like Linked Investment Service Providers (LISP's).</small>	
<small>**A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.</small>	
Total Expense Ratio (TER)²	1.19% 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.

PERFORMANCE AND RISK STATISTICS¹

CUMULATIVE PERFORMANCE SINCE INCEPTION



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	24.27%	28.92%	-4.65%
Latest 12 months	37.63%	42.42%	-4.79%
Latest 36 months (annualised)	50.97%	51.84%	-0.87%
Latest 60 months (annualised)	43.50%	39.99%	3.51%
Since inception (annualised)	34.52%	33.17%	1.35%
2007	41.82%	39.49%	2.33%
2006	50.13%	46.05%	4.08%
2005	60.04%	55.63%	4.40%
2004	13.37%	6.94%	6.42%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	21.69%	21.41%
Sharpe ratio	1.12	1.07
Maximum gain	93.37%	75.65%
Maximum drawdown	-29.89%	-28.63%
Positive months	67.62%	65.71%