

It was another difficult quarter for global equity markets, the SA equity market and the fund. The theme of global stagflation, combined with rising commodity prices continues, resulting in falling equity prices except the resource sector, though even here the returns have not matched the moves in commodity prices. The fund returned 1.4% for the quarter against the FTSE-JSE Top 40 index return of 5.3%

We have entered a remarkable period in the equity markets. While we always warned that the returns earned for the past 4 years would not be repeated, 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 5 years to the end of 2007).

Glancing back to 2002 one can identify remarkable similarities within the economy: the sharp domestic equity decline after a strong rand sell-off and the concomitant rise in interest rates. At that time local financial and industrial shares were also reduced to 5 and 6 PE multiples and the lack of interest from foreign and local investors was at an all time high. Resource shares and rand hedges had outperformed strongly and there was little interest in the beaten down domestic sector. This was an environment which created the perfect base for the raging bull market enjoyed thereafter, with 30% plus returns for the market over the next few years.

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.

Today the fund has built up big positions in great businesses with fantastic long term earnings track records at very attractive valuations. Big positions in Naspers, Richemont Remgro, Standard Bank and Tiger Brands are the core holdings of the fund. All are businesses which have survived many cycles comfortably before and have delivered strong earnings growth which provide the compound returns that create shareholder value. The core characteristics of these businesses are great cash flows, geographic and product diversification and shareholder friendly management.

Broad market sell-offs, of the most recent kind, tend to bring down all companies regardless of quality. It creates the opportunities to get the really good businesses in this country at similar ratings to the average and poor quality businesses. This is an opportunity which does not come along every day and one that investors with a long term outlook should be embracing.

Neville Chester
Portfolio Manager

CORONATION TOP 20

Class A
as at 30 June 2008

Fund category
Fund description

Domestic Equity Large Cap
Aims to outperform the FTSE/JSE Top 40 Index, is actively managed and will typically hold no more than 20 large cap stocks at any point in time.

Launch date

1 October 2000

Portfolio manager

Neville Chester

Fund size

R1.3 billion

NAV

5362.60 cents

Benchmark/performance fee hurdle

FTSE/JSE Africa Top 40 Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 June 2008
Domestic Assets	100.00%
Equity	98.67%
Oil & Gas	2.06%
Basic Materials	19.16%
Industrials	12.29%
Consumer Goods	20.54%
Healthcare	5.30%
Consumer Services	13.95%
Telecommunications	6.73%
Financials	18.64%
Cash	1.33%
International Assets	0.00%

TOP 10 HOLDINGS

As at 30 June 2008	% of Fund
Naspers Ltd	9.65%
Richemont Securities AG	9.54%
Standard Bank Group Ltd	9.34%
Remgro Ltd	7.58%
Tiger Brands Ltd	6.94%
Impala Platinum Holdings Ltd	5.85%
Netcare Ltd	5.30%
BHP Billiton Plc	4.80%
Bidvest Group Ltd	4.71%
Woolworths Holdings Ltd	4.30%
Total	68.01%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2008	01/04/2008	33.40	29.59	3.81
30/09/2007	01/10/2007	57.68	55.34	2.34
31/03/2007	01/04/2007	39.11	33.62	5.49
30/09/2006	01/10/2006	99.38	95.65	3.73

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	-7.62%	8.29%	-4.06%	4.97%	3.54%	-6.67%						
Fund 2007	6.38%	-1.17%	4.99%	4.01%	-0.68%	-1.29%	-1.18%	1.67%	1.85%	7.65%	-5.82%	-2.76%
Fund 2006	7.32%	-1.85%	4.99%	2.85%	-3.46%	1.27%	-0.31%	3.44%	2.61%	6.84%	3.65%	6.38%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee - performance related**	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.50% 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).

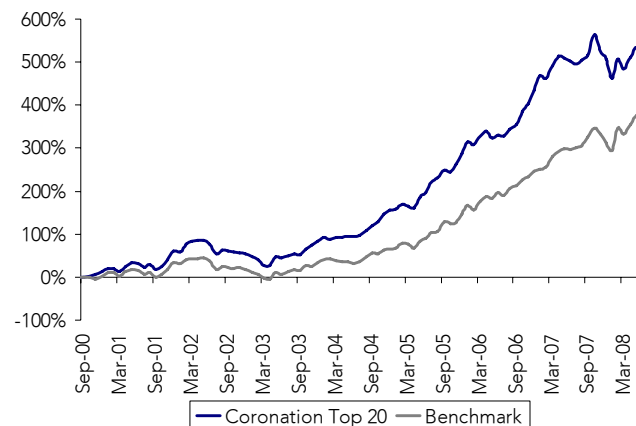
** A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

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	-2.64%	10.66%	-13.30%
Latest 12 months	-1.79%	15.08%	-16.87%
Latest 36 months (annualised)	25.98%	33.91%	-7.93%
Latest 60 months (annualised)	32.44%	33.65%	-1.21%
Since inception (annualised)	25.79%	21.64%	4.15%
2007	13.54%	18.97%	-5.43%
2006	38.61%	40.90%	-2.28%
2005	50.87%	48.24%	2.64%
2004	38.94%	23.48%	15.47%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	18.25%	19.38%
Sharpe ratio	0.87	0.60
Maximum gain	38.58%	37.42%
Maximum drawdown	-31.72%	-33.46%
Positive months	63.44%	62.37%

Total Expense Ratio (TER)²

1.34% per annum, which includes a performance fee of 0%

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 the benchmark, a standard minimum fee will be levied. If the fund produces a return below the benchmark over a rolling 12-month period, the discounted minimum fee applies.

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