

The Equity Fund had a weak quarter, such that it is now underperforming the benchmark over a rolling 3 year period by 4.4% p.a. (27.1% p.a. vs 31.6% p.a.). The All Share Index returned +2.9% for the quarter. This benign number masks strong moves within the quarter (down 7% by late January) and across sectors (Resources +18%, Industrials -5%, Financials -6%).

For the entire duration of the bull market a 'rising tide lifted all boats' and virtually all sectors produced handsome returns. Over the last 12 months returns have diverged, with commodity stocks continuing their rampant run and domestic stocks coming under heavy selling pressure. Negative headlines have found their way to the pricing of local equities to such an extent that they currently price in a material decline in earnings over the next few years. Many quality companies, with excellent management teams and strong balance sheets trade at 8 times forward earnings and at 7% dividend yields. While there is no doubt that corporate earnings are under pressure, we have been able to find many quality companies with strong franchises and good earnings' prospects at ratings we haven't seen since early 2003 (one of the biggest buying opportunities in history).

The big global trade (wisdom) is to short the dollar and go long commodities. As fundamental, valuation-driven investors we are underweight commodity stocks and overweight domestic stocks and non-resource rand hedge shares (Remgro, Richemont, Liberty International etc.). It is, in our opinion, 'late in the day' to be long commodities - a notoriously cyclical industry. While this has detracted from performance over the last year, we remain convinced that it is the right positioning for the longer term.

In the quarter we increased our holding in MTN, a quality company with excellent growth prospects trading at a fair price. We reduced our weighting in Impala, a stock that has contributed strongly to performance over the years but that now trades at our assessment of fair value.

Throughout the late 90s, active managers outperformed benchmarks with such ease that commodity stocks were eventually down-weighted in the benchmarks. The wheel has turned full circle now, with active managers battling to outperform a resources-heavy index. We consider this to be a normal cycle. In a world of collapsing time horizons it is not easy to hold a firm course and make the right long-term decisions. It is essential that investment decisions are evaluated through the course of a full cycle. This cycle will turn and, when it does, we intend to be correctly positioned in the stocks that offer long term value.

Karl Leinberger
Portfolio Manager

Fund category Domestic Equity General
Fund description An emphasis on active stock selection and will remain fully invested in domestic equities at all times.
Launch date 15 April 1996

Portfolio manager Karl Leinberger
Fund size R2 billion
NAV Class A: 6560.31 cents
Benchmark FTSE/JSE Shareholders Weighted All Share Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2008
Domestic Assets	100.00%
Equity	97.02%
Oil & Gas	4.08%
Basic Materials	20.96%
Industrials	13.99%
Consumer Goods	16.18%
Healthcare	3.37%
Consumer Services	15.29%
Telecommunications	4.77%
Financials	17.40%
Derivatives	0.98%
Real Estate	2.91%
Cash	0.07%
International Assets	0.00%

TOP 10 HOLDINGS

As at 31 March 2008	% of Fund
Standard Bank Group Ltd	7.90%
Naspers Ltd	7.28%
Impala Platinum Holdings Ltd	6.74%
Richemont Securities AG	5.67%
BHP Billiton Plc	5.49%
Remgro Ltd	5.27%
MTN Group Ltd	4.77%
SABMiller Plc	4.70%
Sasol Ltd	4.08%
Woolworths Holdings Ltd	3.57%
Total	55.47%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31/03/2008	01/04/2008	21.34	20.04	1.30
30/09/2007	01/10/2007	45.59	44.43	1.16
31/03/2007	01/04/2007	32.37	31.07	1.30
30/09/2006	01/10/2006	70.52	69.60	0.92

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	-8.91%	9.16%	-3.53%									
Fund 2007	5.58%	-0.19%	5.32%	4.45%	-0.55%	-1.47%	0.00%	1.49%	2.33%	7.91%	-5.85%	-2.72%
Fund 2006	8.41%	-1.16%	4.57%	1.94%	-5.13%	-0.41%	-0.12%	3.41%	1.72%	7.18%	4.26%	5.92%

FEES (excl. VAT)

Initial Fee*	Coronation: 0.00% (Direct)
Annual Management Fee**	Class A: 1.25% Class R: 1.00%

*An initial fee of 0.25% will be charged on all investments placed via administration platforms like Linked Investment Service Providers (LISPs).

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

Total Expense Ratio (TER)²

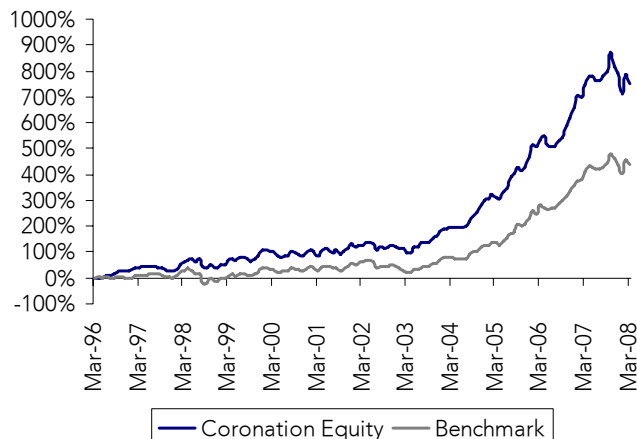
Class A: 1.44% per annum
Class R: 1.15% per annum

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	-4.08%	-0.35%	-3.73%
Latest 12 months	0.77%	6.27%	-5.50%
Latest 36 months (annualised)	27.14%	31.60%	-4.46%
Latest 60 months (annualised)	33.96%	35.03%	-1.08%
Since inception (annualised)	19.65%	14.96%	4.69%
2007	16.60%	18.06%	-1.46%
2006	34.20%	39.27%	-5.07%
2005	42.31%	44.86%	-2.55%
2004	42.88%	33.90%	8.98%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised deviation	16.64%	20.43%
Sharpe ratio	0.45	0.14
Maximum gain	47.40%	43.48%
Maximum drawdown	-20.49%	-41.00%
Positive months	63.64%	60.84%