

# CORONATION PROPERTY EQUITY

## Class A

as at 31 March 2008

The domestic listed property index declined by 10.9% over the quarter, as the reality of higher interest rates and a fast declining consumer economy set in.

The fund had been more defensively positioned, as mentioned in the previous quarterly review, and declined by 8.4% over the quarter. The fund benefited from the holding in Liberty International, which added significantly to performance over the period as the currency weakened. The share is still down over the past year though, and we continue to believe that the share is very attractively valued in an environment of huge pessimism to property in the UK. We still hold the maximum 10% permitted.

The A shares in the portfolio also proved to be more defensive, with ApexHi 'A' declining by only 5% over the quarter, and Hospitality 'A' shares up by 4%. These two counters jointly make up 13% of the overall portfolio. The two main detractors from performance over the quarter were Acucap and Resilient. We continue to believe that both counters offer good value for the long term. There were few transactions over the quarter - we reduced the holding in Growthpoint, sold out of Hospitality 'B', and sold some of the Liberty International as the weighting increased above 10%.

We believe that domestic listed property is again offering reasonable value, after declining by as much as 18% since the peak in November last year. The forward yield of 8.9% is now more in line with bond yields (which now look more realistic after the recent rise), and above-average distribution growth is still expected for the next 2 to 3 years. Interestingly, share prices are now more or less in line with published NAVs, which are no longer lagging market reality as significantly as they did before.

Consolidation is on the increase, as expected, with announcements made in the Resilient stable and also the Madison group of companies, comprising Apex Hi, Redefine and Hyprop. We will be actively involved to ensure that deals proposed are in line with unit-holder interests, and that take-out prices reflect long term value for unit-holders in the respective companies we own.

Our big theme in the fund remains one of a focus on quality, which we believe will continue to add value in the current uncertain environment. There are a number of lower quality properties in some of the listed counters, which may come under pressure in the tighter economic environment that we have entered. At the time of writing we await an MPC interest rate decision which could be quite detrimental to the economy if market expectations of a further increase are met. Positions in the fund thus remain very concentrated, with a focus on quality and defensiveness, which should prove of some value going forward.

**Edwin Schultz**  
Portfolio Manager

# CORONATION PROPERTY EQUITY

**Class A**  
as at 31 March 2008

**CORONATION**  
FUND MANAGERS

**Fund category**  
**Fund description**

Domestic Real Estate General  
Invests in quality listed property assets with the aim to produce high income yields and long-term capital growth.  
20 November 2000

**Portfolio manager**  
**Fund size**  
**NAV**  
**Benchmark**

Edwin Schultz  
R1 billion  
2695.62 cents  
Domestic Real Estate General Mean

**Launch date**

## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2008
Domestic Assets	100.00%
Preference Shares & Other Securities	2.99%
Real Estate	94.92%
Cash	2.09%
International Assets	0.00%

### TOP 10 HOLDINGS

As at 31 March 2008	% of Fund
Fountainhead Property Trust	16.40%
Hyprop Investments Ltd	15.37%
Apexhi Properties Ltd	11.07%
Acucap Properties Ltd	10.22%
Syfrets and CU Property Fund	10.02%
Liberty International Plc	9.94%
Growthpoint Properties Ltd	9.62%
Resilient Property Income Fund	6.43%
Foord Compass Ltd	2.99%
Hospitality Property Fund A	2.95%
<b>Total</b>	<b>95.01%</b>

### INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
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
30/06/2007	01/07/2007	33.27	-	33.27

### MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fund 2008	-8.73%	2.59%	-2.19%									
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)

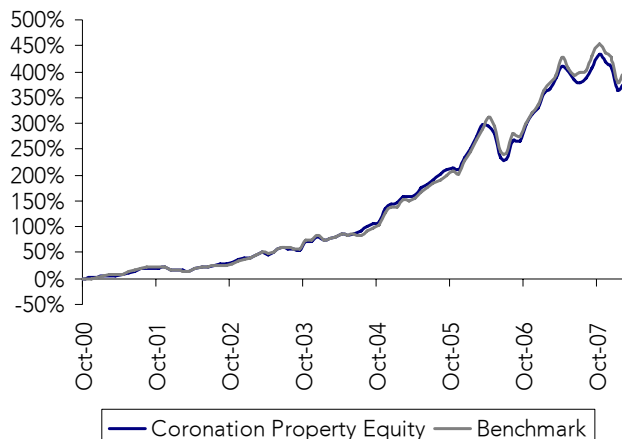
<b>Initial Fee</b>	Coronation: 0.00%
<b>Annual Management Fee**</b>	1.25%
* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.	
<b>Total Expense Ratio (TER)<sup>2</sup></b>	1.42% per annum

#### 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.

## PERFORMANCE AND RISK STATISTICS<sup>1</sup>

### CUMULATIVE PERFORMANCE SINCE INCEPTION



### PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Out-performance
Year to date	-8.42%	-9.73%	1.31%
Latest 12 months	-4.19%	-3.09%	-1.09%
Latest 36 months (annualised)	21.71%	23.32%	-1.61%
Latest 60 months (annualised)	25.37%	26.41%	-1.04%
Since inception (annualised)	23.21%	22.86%	0.35%
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	12.70%	13.73%
Sharpe ratio	1.05	1.01
Maximum gain	54.76%	40.98%
Maximum drawdown	-16.66%	-17.09%
Positive months	70.45%	67.05%