

The last quarter saw the spectacular reversion in the long commodities, short financials and industrials trade of the past two years. In a relatively short period there has been a wholesale sell-off in the commodity complex, reversing all the gains achieved and more. Given the size of commodities in the SA equity market, this has resulted in negative returns for the index as a whole. For the quarter, the fund's benchmark Top 40 index was down 23.3%. The fund, due to its strategic positioning, was down only 4.9%, delivering an incredible 18.4% alpha for the period.

This year has seen a significant increase in the volatility of equity returns. This seems to have accelerated even further in recent months. A combination of the credit crisis allied with a global slowdown and huge nervousness by all investors has seen daily share price moves in excess of 15% become commonplace. While this was once the preserve of small cap shares, it is now happening in megacap shares with market capitalisations in excess of R100 billion. Clearly fundamentals do not change sufficiently in one day to alter the value of a business by R15 billion. What we are seeing are the classic fear and greed trades driven by sentiment, as opposed to investing based on fundamentals.

By investing based on fundamentals and ignoring the short-term noise, the fund has managed to avoid a lot of the market pitfalls, maintaining its strong long-term investment track record. Until recently we have recommended avoiding resource shares due to stretched valuations and high earnings bases. In this recent sell-off we have seen ratings plunge dramatically, but are still waiting for the lower commodity prices to feed through to the earnings bases. This is making stock selection more interesting as a number of these companies are starting to offer value.

We are being careful not to rush in just yet as the short-term global outlook for commodities is not great while the global deleveraging takes effect. That said, we are long-term investors and on a 5-year view we are certainly identifying and taking advantage of some good opportunities. One investment outside the commodity space is MTN. This share was fully priced as recently as 3 months ago driven by speculation over corporate action. This has now dissipated along with its premium rating. A business which the 'punters' were valuing at close to R300 billion in June is now valued at close to R200 billion. Thinking in enterprise value reflects exactly what we do: invest in businesses rather than share prices. At these levels we now think the share is trading below fair value and offers a nice diversification into growth opportunities outside of South Africa.

Globally, equity values are at the lowest levels we have seen in over 20 years and trending lower in the short term. We see this as an opportunity. Similarly, SA equity markets are feeling the same pressure and again we think the capital creation opportunities are immense. We cannot call markets in the short term, but on any kind of longer-term view we think that equities are cheap and based on our research we believe the portfolio, as currently constructed, will provide superior market beating returns into the future.

Neville Chester
Portfolio Manager

CORONATION TOP 20

Class A
as at 30 September 2008

Fund category Domestic Equity Large Cap
Fund description 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 5100.79 cents
Benchmark/performance fee hurdle FTSE/JSE Africa Top 40 Index

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 September 2008
Domestic Assets	100.00%
Equity	98.95%
Oil & Gas	4.74%
Basic Materials	18.07%
Industrials	13.80%
Consumer Goods	21.06%
Healthcare	3.75%
Consumer Services	8.08%
Telecommunications	10.32%
Financials	19.13%
Cash	1.05%
International Assets	0.00%

TOP 10 HOLDINGS

As at 30 September 2008	% of Fund
Richemont Securities AG	9.74%
Standard Bank Group Ltd	9.06%
MTN Group Ltd	8.62%
Naspers Ltd	8.08%
Remgro Ltd	7.22%
Tiger Brands Ltd	6.84%
Bidvest Group Ltd	6.57%
Sasol Ltd	4.74%
Impala Platinum Holdings Ltd	4.72%
SAB Miller Plc	4.47%
Total	70.06%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30/09/2008	01/10/2008	93.07	91.71	1.36
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

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%	0.76%	3.50%	-8.80%			
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%

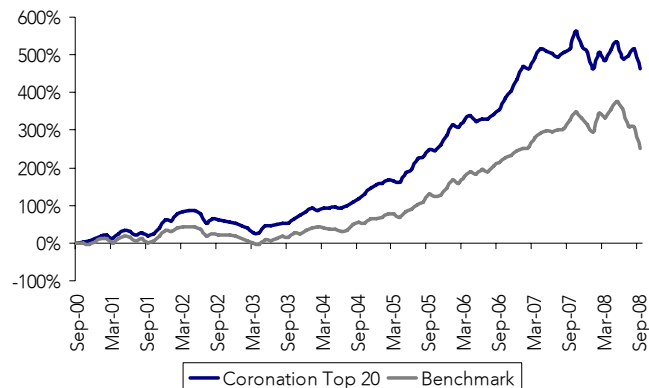
* An initial fee of 0.25% will be charged on all investments placed via administration platforms like Linked Investment Service Providers (LISP's).
** A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

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	-7.41%	-15.08%	7.67%
Latest 12 months	-8.71%	-17.99%	9.28%
Latest 36 months (annualised)	17.20%	15.21%	1.99%
Latest 60 months (annualised)	29.92%	24.96%	4.96%
Since inception (annualised)	24.11%	16.96%	7.15%
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	18.37%	20.34%
Sharpe ratio	0.76	0.34
Maximum gain	38.58%	37.42%
Maximum drawdown	-31.72%	-33.46%
Positive months	63.54%	60.42%

Total Expense Ratio (TER)²	0.96% per annum, which includes a performance fee of -0.19%
--	---

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.