

PORTFOLIO MANAGER COMMENTARY

The fund returned 1.04% during a better month for bonds. The All Bond Index returned 2.26% and inflation-linked bonds 0.87% for April. This positive return was achieved across the curve, however as a guide to where bond yields are trading, the R157 (2015 maturity) opened the month at a yield to maturity of 7.82% to trade down and close at 7.63%. The R186 (2026 maturity) opened the month at a yield to maturity of 8.97% and closed at 8.65%, more than 30bps stronger. During the course of the month we sold into this strength.

With sentiment improving towards risky assets in April, following the upheaval seen in the first quarter, renewed inflows resulted into emerging market bonds, including South African bonds where foreigners purchased a net R11 billion. This, accompanied by a stronger rand, lent some support to the bond market.

There was some marginal good news in terms of domestic fundamentals for bonds in the form of a slightly lower than budgeted Budget deficit for FY2010/11. The preliminary figure has been announced at 5.0% of GDP against the expected 5.3%. Though this is good news, we would caution that figures over 3% of GDP are in 'normal' times considered less than acceptable so we are still a way from there. More directly, for the bond market we are still expecting rather heavy issuance numbers for the next few years, which could prove to be a problem should the foreign buying dry up.

Other domestic news was less favourable for bonds, principally in the form of higher than expected inflation data (both consumer and producer inflation). CPI reached 4.1% in March, nearly a percent above its September low and seemingly still headed upwards. We have not changed our view for inflation to reach or breach the upper end of the 3% - 6% target range. In spite of the strong rand, we now have clear evidence of food inflation gaining some traction that oil price rises have offset the strength in the currency and wage demands/settlements continuing to be significantly higher than inflation. Furthermore, PPI has abruptly reversed its previous downtrend and risen from 5.5% in January to 7.3% in March. Against a background of accommodative monetary policy, we continue to be concerned about the inflation outcome for the remainder of this year.

We thus remain concerned about bond yields, both in terms of the inflation outlook as well as supply factors. These domestic concerns are further deepened by an expectation that US bond yields will continue to rise over the course of the year as growth and inflation expectations continue to strengthen. Pressure on US bond yields will likely see global yields (including SA) rising.

At the beginning of the month we added to our fixed rate position at a yield of around 9.13% via the NCD market where some good opportunities in the five-year area of the curve prevailed. We also added to our longer dated floating rate bond position during the month via renewed bank bond issuance. We have maintained the portfolio's inflation-linked bond position during this time.

Listed property stocks had a strong month which contributed positively to the fund. We continue to hold 4% in property with the view of topping up via selected stocks should the valuations be favourable. Preference shares were worse off this month having traded to lower levels again. With yields of around 7% versus 5.5% from the money market, preference shares become an attractive alternative.

We continue to watch with interest as central banks around the globe are starting to raise interest rates in the face of rising inflation. The portfolio is defensively positioned should we come up against a similar situation where inflation threatens the upper end of the 3% - 6% target range and the South African Reserve Bank chooses to respond earlier than expected.

Portfolio managers

Mark le Roux and Tania Miglietta

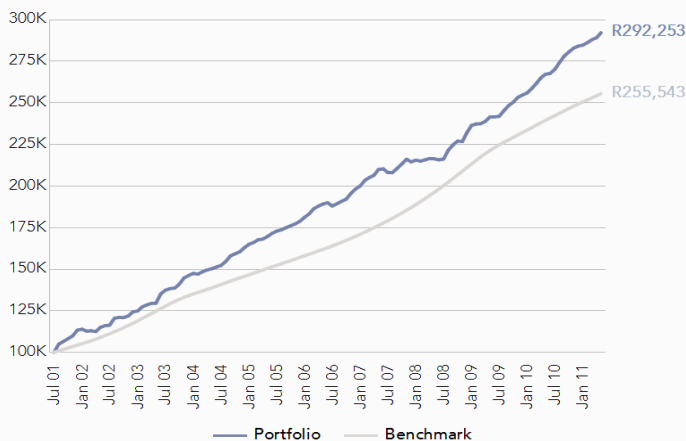
Fund category Domestic - Fixed Interest - Varied Specialist
Fund description A widely diversified, actively managed fund that aims to provide a higher level of income than a pure income fund.
Launch date 02 July 2001
Portfolio manager/s Mark le Roux and Tania Miglietta

Fund size R 5.05 billion
NAV 1340.76 cents
Benchmark 110% of the STeFI 3-month Index
Risk profile



PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT

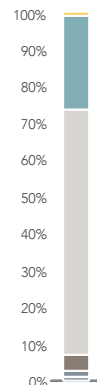


PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector 30 Apr 2011

Asset Class	Percentage
Domestic Assets	92.7%
Cash	25.3%
Bonds	61.9%
Listed Property	3.6%
Preference Shares	2.0%
International Assets	7.3%



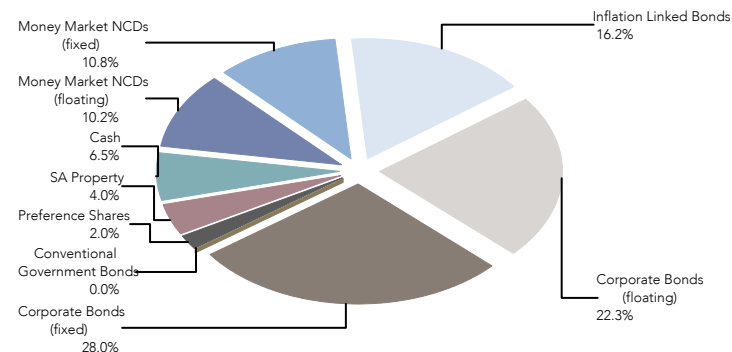
PERFORMANCE AND MODIFIED DURATION

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	192.3%	155.5%	36.7%
Since Inception (annualised)	11.5%	10.0%	1.5%
Latest 5 years (annualised)	9.1%	9.5%	(0.5)%
Latest 3 years (annualised)	10.5%	9.2%	1.3%
Latest 1 year (annualised)	9.4%	6.7%	2.7%
Year to date	2.6%	2.0%	0.7%
2010	11.2%	7.3%	4.0%
2009	8.2%	9.5%	(1.3)%
2008	9.7%	13.0%	(3.2)%

	Fund
Modified Duration	2.3
Modified Duration (ex Inflation Linkers)	1.6

PORTFOLIO COMPOSITION

As at 30 Apr 2011



RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	3.2%	0.7%
Sharpe Ratio	0.65	0.77
Maximum Gain	29.2%	155.5%
Maximum Drawdown	(1.3)%	N/A
Positive Months	90.7%	100.0%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2011	01 Apr 2011	21.06	0.25	20.81
31 Dec 2010	03 Jan 2011	20.98	0.73	20.25
30 Sep 2010	01 Oct 2010	22.80	1.06	21.74
30 Jun 2010	01 Jul 2010	22.04	1.20	20.84

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	0.53%	0.59%	0.43%	1.05%									2.60%
Fund 2010	1.08%	1.09%	1.34%	0.80%	0.19%	0.90%	1.54%	1.40%	0.88%	0.83%	0.43%	0.22%	11.20%
Fund 2009	0.35%	0.06%	0.60%	1.08%	0.06%	0.12%	1.41%	1.24%	0.82%	1.17%	0.55%	0.50%	8.20%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	0.85%

* 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.
 The annual management fee applicable to the A-class was reduced from 1.00% p.a. (excl. VAT) to 0.85% p.a. (excl. VAT) effective 1 October 2009.

Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up. Past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Instructions must reach the Management Company before 2pm (12pm for the Money Market Fund) to ensure same day value. Fund valuations take place at approximately 15h00 each business day and forward pricing is used. Coronation is a Full member of the Association for Savings & Investment SA (ASISA). ¹Performance as calculated by Coronation as at 30 April 2011 for a lump sum investment using Class A NAV prices with income distributions reinvested. Performance figures are quoted after the deduction of all costs incurred within the fund. ²The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end December 2010. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.

Total Expense Ratio (TER) ²	0.93% per annum
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Modified Duration measures the interest rate risk of a security. It measures the change in a security's price for a given fixed change in interest rates.

- ### 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.