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A proven long-term investment track record built on a philosophy of investing with a long time horizon and original research.

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Albatross: wingspan of 2 to 3.4 metres, weight of up to 10kg, ability to fly long distances without stopping.

Unit Trusts  
Abridged Annual Report 2009

**CORONATION**   
FUND MANAGERS

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## — Coronation client charter —

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- We strive to always put our clients first
  - We have an unwavering commitment to the long term
  - We focus on producing top performance over all meaningful periods
  - We are uncompromising about ethics
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Hugo Nelson

We started the year with the world facing the most severe recession since the end of World War II. Global financial markets were in freefall and the entire financial system in crisis. In an attempt to avert a second 'great depression' a chorus of the world's leading central banks responded with now well-documented stimulatory measures. By March 2009 markets reached the point of maximum pessimism – and then everything changed. Markets rebounded and confidence started to steadily gain traction. As at year-end, the MSCI World Index had recorded a gain of 67% (in US dollars) off its March low, and both the MSCI Emerging Markets and the FTSE/JSE All Share indices were up 96%. 2009 was most definitely a tale of two halves.

At the March interim reporting period we stated ...'while investors' time horizons have been truncated by this bear market, we are confident that when the market turns our clients will be well positioned for the upswing'. We are delighted to report exceptional investment performance across all client portfolios and that Coronation has the best performing equity, foreign equity and balanced unit trust funds over five years – to the quarter ended 30 September 2009.

In the first half of the year we experienced outflows as investors continued their flight to perceived safety of cash or near cash. Added to this we lost ground in the fixed income space due to multi-manager moves. As sentiment changed in the final quarter we however saw a major acceleration in new business. The greatest beneficiaries of these flows were our equity funds and multi-asset funds, driven by excellent performance. We remain the 6th largest long-term fund manager of the now R747 billion unit trust industry.

### Landscape

Throughout the first half of the year cash levels in the local unit trust industry reached their highest on record. Thus, while the total industry recorded significant growth, the experience for long-term managers was only moderately positive.

The total industry recorded R45 billion of new investments into long-term funds and a further R43 billion into cash and dividend income funds for the year ended September 2009. Whilst risk appetite is most definitely back, this only became evident in the final quarter, spiking sharply with inflows of R20 billion to higher-risk mandates against a fall of R12 billion in money market funds.

### Investment performance

A key illustration of our ability to generate alpha is publicly available in the unit trust ranking tables to end September 2009. The Coronation Top 20 Fund is the best performing equity fund in the country, ranking no. 1 across all meaningful time periods. For the one year, it significantly outperformed the FTSE/JSE Top 40 Index benchmark by more than 16% and, since inception in 2000, has outperformed the index by 8.2% per annum. Similarly, the Coronation Balanced Plus and Coronation World Equity [ZAR] funds have strong performance track records, ranking 2nd over three years and 1st over the longer-term five-year period and since inception. A combined picture of these three funds sees Coronation with the best performing equity, foreign equity and balanced funds in the country over five years. World Equity [ZAR] was recognised as a winner in its



category at the Morningstar/Financial Mail 2009 Fund Awards in April, as was the Coronation Bond Fund.

Our lowest-risk income and growth fund, Coronation Balanced Defensive, continues to build a credible track record in the low-risk multi-asset fund space and the Coronation Capital Plus Fund has since launch in 2001 returned an annualised 15.4%, while never experiencing a negative return in any calendar year.

All funds in the Coronation core range rank in the top two positions of the respective fund categories since inception.

### Client-centric focus and product development

We have simplified our product offering, making it more approachable to investors by grouping each of the funds in the domestic and foreign fund ranges by investor need. This was communicated in the final round of *Conversations with Coronation*, our communication platform to independent financial advisors, and in our quarterly *Corospondent* newsletter to clients. It will also carry through onto our website in the first quarter of 2010.

During the first quarter of the year we conducted a comprehensive review of our unit trust fee structures, bringing our methodology in line with current best practice in the industry. Adjustments were made to the base and performance fees of the Top 20, Equity, Balanced Defensive and World Equity [ZAR] funds and all remaining initial fees on new investments were removed. Based on our interest rate outlook we also reduced the management fee applicable to the Coronation Strategic Income A-class from 1.00% to 0.85% per annum.

In terms of our foreign fund offering we have been working on the alignment of our Irish-domiciled fund mandates with FSB requirements, enabling us to market the full fund range in South Africa. To better reflect the assets held by the Coronation International Active Fund of Funds, the fund's name was changed to Coronation World Equity [ZAR] in February.

We have no tied distribution which ensures our independence and focus on the delivery of strong long-term returns.

Coronation also continues to manage third-party funds on behalf of Kagiso Asset Management and PPS Investments.

### Prospects

We are an established participant in the South African market and recognised as a leader in the industry. We believe we have a sustainable business model and through the creation of a robust international offering aim to attract greater interest from international asset allocators over time.

We have started to see a turnaround in risk aversion and positive economic growth rates coming through; however, we caution that the recovery does remain fragile and that markets are likely to remain volatile for a continued period of time. We are long-term investors and continue to be single-minded in our pursuit of alpha.



Karl Leinberger

As was noted in the chairman's report, it is understandable that investors around the world took fright after a brutal year in 2008 – the second worst year in recent market history.

The temptation to sell risk assets and sit in cash was immense as investors were tested by the very poor news flow that predicted financial Armageddon and a second depression from which the world would take decades to recover. Many said it was not the time to be brave; rather that one needed to be more concerned about preserving capital than about making returns.

While cash might have helped one sleep better at night, we did not believe it was the right move for the long-term investor and in January 2009 argued that this was not the time to run from equities; that in fact global equities presented the buying opportunity of a lifetime.

This was a great example of the paradox of investing where 'buying low' often requires investing when the news flow is poor, and 'selling high' often requires selling when the outlook is good.

Our argument in favour of global equities at the start of the year was as follows:

- While the economic outlook was poor, and news flow unlikely to improve in the near term, we were not in financial Armageddon.
- The market is a very efficient discounting machine and at those levels was already pricing in a recession.
- Valuations were compelling given that the last time the MSCI World Index traded at similar ratings was the early 1980s (also a time of very poor news flow, but a time that proved to be an extraordinary wealth creation opportunity).
- When markets turn, they move quickly and usually no-one sees it coming.

The second quarter proved to be a bruising reminder of how dangerous it is to time markets. After the sell-off in January and February, equities started to rally in early March when investors least expected it. By the end of July, and before investors had time to 'wipe the sleep from their eyes', the MSCI World Index was up 45% and the MSCI Emerging Markets Index up by 64%.

Being positioned early was not a case of timing markets. At Coronation, we do not believe that one can get timing consistently right. As was the case with our heavily criticised view that commodities were overvalued in 2008, we don't know when markets will turn. But when they do, we intend being correctly positioned. If one focuses on getting the long-term intrinsic right, with a big enough margin of safety, you always have time on your side.

### Global equities – our preferred asset class

We remain surprised by the (horrified) reaction we get from clients when we motivate an increased offshore allocation. Any long-term study done on optimal portfolios recommends a 20% to 30% offshore allocation through the cycle. We believe investors should currently be sitting at the higher end of that



range. However, according to our estimates most retired South African investors have an offshore exposure of between 8% and 14% – less than half of where we think they should be. It seems South Africans have been so scarred by their recent experiences that they are determined to avoid offshore investments, regardless of the merits of the argument.

While domestic equities have been the winning asset class over the last five years, we encourage investors not to take a rear-view mirror approach. Markets work in cycles and we do not expect the 17% return on domestic equities of the past 10 years to be repeated. Over the next 10 years, we expect domestic equities to deliver significantly less (*circa* 11% per annum), while we expect global equities, which have delivered a dismal 2.3% per annum over the past 10 years, to outperform all asset classes with a return of *circa* 14% per annum.

## Our portfolio positioning

When one considers the very strong rand, we believe that investors currently have an excellent opportunity to diversify their portfolios. We have taken full advantage of this across our portfolios by buying the global equities that we find attractive and happen to be listed on the JSE (British American Tobacco, SABMiller, Richemont, etc).

We remain underweight resources. The sector has recovered strongly in the hope that Asia will lead the world out of recession. We remain of the view that the upside to long-term valuations, based on mid-cycle earnings, is not attractive enough to justify higher exposures.

Small caps currently present a compelling opportunity for long-term investors. The sector has crashed after reaching absurdly high levels at the top of the bull market. We do expect some company failures as the sector deals with the recession coupled with tighter credit markets. In addition, many poor-quality companies were cobbled together for a listing in the bull market and these are now unravelling. Notwithstanding these challenges we have identified many quality companies trading at five times

our assessment of normalised earnings and have therefore significantly increased our exposure to small caps over the last few quarters.

Despite having now taken some profits on equities, we remain of the view that equities offer the best prospect of inflation-beating long-term returns. Markets are likely to remain volatile and difficult for some time to come. To the long-term investor this is not bad news. The last few quarters of 2009 have produced extraordinary opportunities in both the equity and corporate credit markets. We remain committed to 'cutting out the noise' and focusing on the long-term fundamentals.

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# The core range

Coronation offers a range of unit trust funds to meet all key investor needs.

## Core domestic

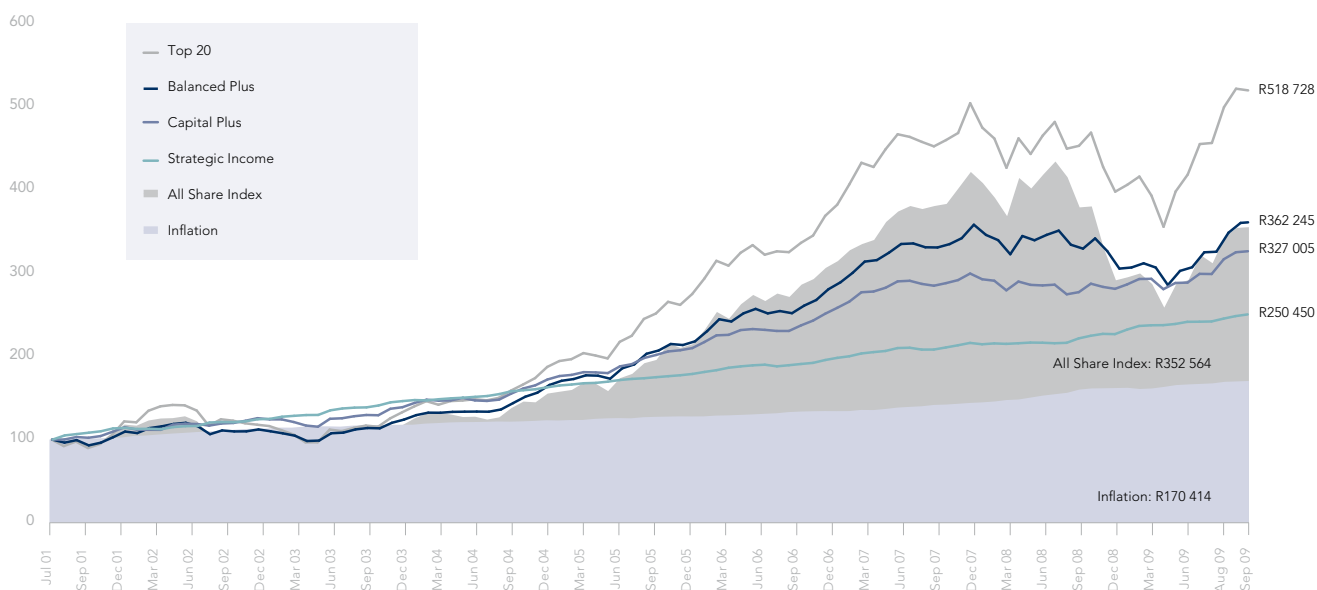
FUND	ANN RETURN SINCE LAUNCH*	FUND OUT-PERFORMANCE	5-YEAR RETURN TO SEPTEMBER 2009	5-YEAR RETURN TO SEPTEMBER 2008	LAUNCHED	FUND DESCRIPTIVE
<b>INVESTOR NEED: CAPITAL GROWTH</b>						
<b>Top 20</b> FTSE/JSE Top 40 Index	23.82% 15.61%	8.21%	25.60%	29.92%	October 2000	A concentrated portfolio of our top stock picks on the JSE.
<b>Balanced Plus</b> Composite benchmark <sup>1</sup>	16.59% 13.98%	2.61%	19.03%	23.57%	April 1996	Best investment view across all asset classes. Ideal fund for retirement savers.
<b>INVESTOR NEED: INCOME AND GROWTH</b>						
<b>Capital Plus</b> CPI + 4% per annum	15.44% 10.67%	4.77%	15.14%	17.04%	July 2001	Focused on providing a growing regular income, ideal for investors in retirement.
<b>Balanced Defensive</b> CPI + 2% per annum	8.71% 11.32%	(2.61%)	-	-	February 2007	A lower risk alternative to Capital Plus for investors requiring a growing regular income.
<b>INVESTOR NEED: INCOME ONLY</b>						
<b>Strategic Income</b> BEASSA All Bond Index (1 – 3 year) TR Index	11.77% 9.67%	2.10%	9.47%	10.00%	July 2001	Asset allocation across the yielding asset classes with up to 10% in foreign yielding assets.

1. Benchmark for the Balanced Plus Fund comprises: 63% Equity (Capped All Share Index), 22% Bonds (All Bond Index), 10% Foreign (60% MSCI Equity gross, 25% JP Morgan Global Bond Index, 15% JP Morgan US\$ 3-month Treasury Bill) and 5% Cash.

\* ANN RETURN SINCE LAUNCH = Annualised returns since launch.

## Growth of R100 000 invested in our core domestic funds on 1 July 2001

Value of R100 000 invested in Coronation's core domestic funds since inception of the Coronation Capital Plus Fund on 1 July 2001 as at 30 September 2009. All income reinvested for funds; FTSE/JSE All Share Index is on a total return basis. Balanced Defensive is excluded as it does not have a meaningful track record.



Sources: Morningstar and I-Net Bridge



## Core foreign

FUND	ANN RETURN SINCE LAUNCH*	FUND OUT-PERFORMANCE	1-YEAR RETURN TO SEPTEMBER 2009	1-YEAR RETURN TO SEPTEMBER 2008	LAUNCHED	FUND DESCRIPTIVE
<b>INVESTOR NEED: CAPITAL GROWTH</b>						
<b>Global Emerging Markets Flexible<sup>2</sup></b> MSCI Emerging Markets Index (US\$)	(4.95%) (15.22%)	10.27%	19.42%	–	December 2007	Best investment view across emerging markets.
<b>World Equity [ZAR] Fund of Funds<sup>2</sup></b> MSCI World Index (US\$)	6.05% 2.56%	3.48%	7.97%	(25.86%)	August 1997	A concentrated portfolio of the best developed market equity managers.
<b>Optimum Growth<sup>2</sup></b> CPI + 5% per annum (US\$)	16.72% 9.95%	6.76%	12.43%	(29.48%)	March 1999	Best rand risk-adjusted returns from a global multi-asset portfolio.
<b>Global Managed</b> Composite benchmark <sup>3</sup>	–	–	–	–	October 2009	Best global investment view for US dollar investors.
<b>INVESTOR NEED: CAPITAL PRESERVATION</b>						
<b>Latitude [ZAR] Fund<sup>2</sup></b> 50% Libor + 50% Euribor (US\$)	24.38% 9.17%	15.22%	–	–	November 2008	Returns in excess of foreign cash while protecting capital in US dollars over 12 months.

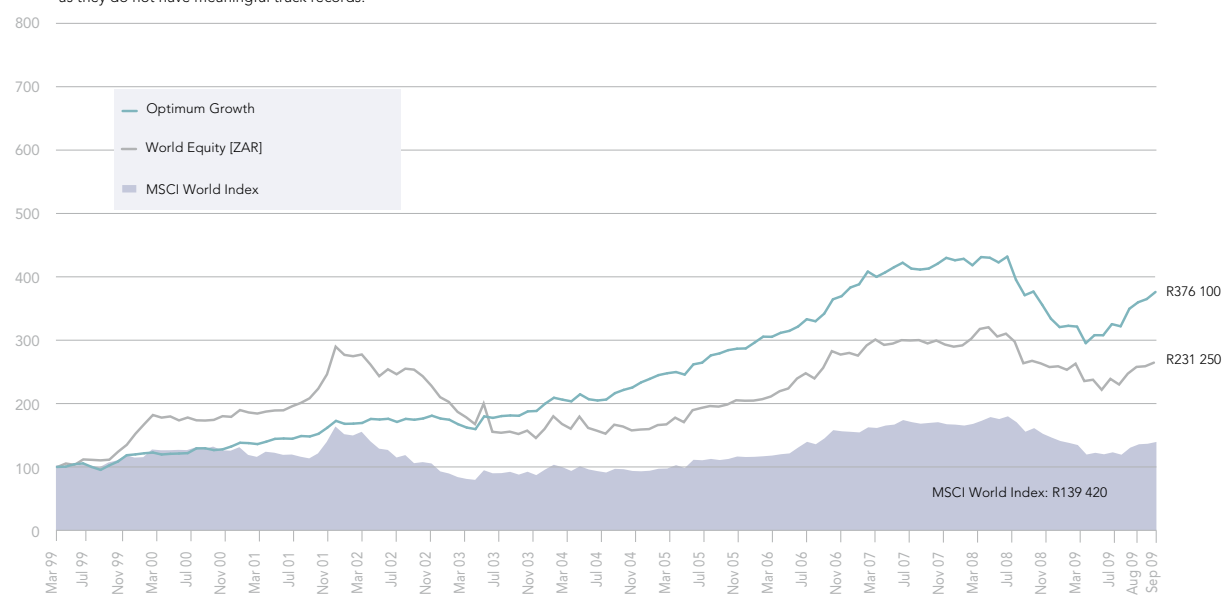
2. Returns are in US\$. For rand returns, refer to fund fact sheet in the personal investments section of coronation.com.

3. Benchmark for the Coronation Global Managed Fund comprises: 63% MSCI World (TR) Index, and 40% Citigroup World Government Bond Index.

Source: Morningstar as at 30 September 2009

## Growth of R100 000 invested in our core foreign funds on 15 March 1999

Value of R100 000 invested in Coronation's core foreign funds since inception of the Coronation Optimum Growth Fund on 15 March 1999 as at 30 September 2009. All income reinvested for funds; MSCI World Index is on a total return basis. Latitude [ZAR], Global Emerging Markets Flexible and Global Managed are excluded as they do not have meaningful track records.



Sources: Morningstar and I-Net Bridge

## Specialised fund range

FUND	LAUNCHED	FUND DESCRIPTIVE	ANN RETURN SINCE LAUNCH	BENCHMARK RETURN SINCE LAUNCH	5-YEAR RETURN TO SEPTEMBER 2009	5-YEAR RETURN TO SEPTEMBER 2008
<b>FLEXIBLE FUNDS</b>						
Coronation Absolute	December 2002	A specialised version of Capital Plus, with fewer risk constraints and the ability to invest up to 100% in equities.	18.90%	12.20%	16.60%	–
Coronation Dynamic Protector*	February 2007	Provides protected exposure to the returns produced by the equity market.	5.20%	15.30%	–	–
Coronation Market Plus	July 2001	Best investment view across all asset classes. Ideal fund for discretionary savers.	19.80%	17.20%	18.80%	23.80%
Coronation SA Capital Plus	April 2004	A specialised version of Capital Plus that invests in South African assets only.	16.90%	10.00%	16.30%	–
<b>DOMESTIC EQUITY FUNDS</b>						
Coronation Equity	April 1996	A less concentrated equity-only option than Top 20 representing our best domestic equity view.	17.68%	12.64%	21.30%	27.09%
Coronation Financial	July 1998	A sector-specific equity fund of our top financial services stock picks.	11.80%	8.00%	16.50%	23.86%
Coronation Industrial	July 1998	A sector-specific equity fund of our top industrial stock picks.	17.90%	22.80%	21.88%	27.11%
Coronation Resources	October 1999	A sector-specific equity fund of our top resources stock picks.	24.30%	23.00%	23.05%	29.69%
Coronation Smaller Companies	April 1997	A sector-specific equity fund of our top small and mid capitalisation stock picks.	13.10%	16.50%	17.00%	21.24%
<b>FIXED INCOME AND REAL ESTATE FUNDS</b>						
Coronation Bond	August 1997	Provides well diversified exposure to the South African bond market.	13.00%	13.10%	8.58%	8.65%
Coronation Cash Plus*	July 2005	A conservative short-term parking vehicle for capital.	8.90%	9.10%	–	–
Coronation Income	April 2000	A low risk fund aiming to provide a higher level of income than a traditional money market fund.	10.80%	10.40%	8.36%	7.87%
Coronation Money Market	October 1999	Aims to provide a higher level of income than fixed deposits and call accounts.	9.80%	9.80%	9.00%	8.55%
Coronation Preference Share	October 2006	An income-producing, tax-efficient fund that primarily invests in preference shares for investors with a short investment horizon (less than six months).	3.70%	6.00%	–	–
Coronation Property Equity	November 2000	A sector-specific equity fund that invests in quality listed property assets.	20.80%	21.40%	20.88%	24.26%

\* The Coronation Cash Plus and Dynamic Protector funds are closed for new business.

Coronation also manages third-party funds on behalf of Kagiso Asset Management and PPS Investments.

For full details on fund fees please visit the personal investments section of [coronation.com](http://coronation.com) or contact us on 0800 22 11 77.

Source: Morningstar as at 30 September 2009



Distribution to unit holders for the year ended 30 September 2009 (cents per unit)

FUND AND FUND CLASS	31 DECEMBER 2008	31 MARCH 2009	30 JUNE 2009	30 SEPTEMBER 2009
Coronation Absolute Fund A		77.40		15.07
Coronation Absolute Fund B		77.38		15.06
Coronation Balanced Defensive Fund A	1.75	2.29	1.24	1.31
Coronation Balanced Defensive Fund B	1.43	1.97	0.92	0.98
Coronation Balanced Plus Fund A		131.97		37.80
Coronation Balanced Plus Fund B		106.32		10.42
Coronation Bond Fund B		45.95		43.25
Coronation Bond Fund R		54.92		51.16
Coronation Capital Plus Fund A	21.25	53.05	10.50	22.33
Coronation Capital Plus Fund B	14.97	46.30	3.58	14.83
Coronation Dynamic Protector Fund A	0.99	2.92	0.32	0.65
Coronation Equity Fund A		230.94		23.33
Coronation Equity Fund B		197.18		0.00
Coronation Equity Fund R		238.65		31.67
Coronation Financial Fund A		105.06		11.75
Coronation Financial Fund B		92.05		0.00
Coronation Global Emerging Markets Flexible Fund A				0.12
Coronation Income Fund A	28.79	26.48	22.37	20.33
Coronation Industrial Fund A		26.50		57.76
Coronation World Equity [ZAR] Fund of Funds A		0.00		0.00
Coronation Latitude [ZAR] Fund A		0.00		0.00
Coronation Market Plus Fund A		91.03		36.01
Coronation Market Plus Fund B		71.65		14.97
Coronation Optimum Growth Fund A		29.60		0.00
Coronation Optimum Growth Fund B		7.57		0.00
Coronation Preference Share Fund A	1.59	3.91	0.89	3.12
Coronation Preference Share Fund B2	1.52	3.85	0.83	3.05
Coronation Property Equity Fund A	29.75	62.76	20.41	71.53
Coronation Property Equity Fund B	21.94	54.71	12.43	62.94
Coronation Resources Fund A		23.74		10.53
Coronation SA Capital Plus Fund A	20.24	57.63	14.66	23.41
Coronation SA Capital Plus Fund B	15.17	46.41	9.19	17.27
Coronation Smaller Companies Fund R		41.84		51.76
Coronation Strategic Income Fund A	31.86	31.62	23.12	23.30
Coronation Strategic Income Fund B	27.83	27.64	19.15	19.27
Coronation Top 20 Fund A		209.46		20.47
Coronation Top 20 Fund B		172.97		0.00
<b>THIRD-PARTY FUNDS</b>				
Kagiso Equity Alpha Fund A		5.60		0.00
Kagiso Protector Fund A		103.25		26.37
Kagiso Top 40 Tracker Fund A		100.12		27.12
PPS Equity Fund A		0.70		0.36
PPS Managed Flexible Fund of Funds A		1.47		0.86
PPS Moderate Fund of Funds A		1.63		1.97
PPS Conservative Fund of Funds A	1.64	1.35	2.52	0.56
PPS Flexible Income Fund A	3.13	2.14	2.33	1.75

MONTH	CORONATION CASH PLUS FUND A	CORONATION MONEY MARKET FUND A	PPS ENHANCED CASH FUND A
September 2009	0.62	0.60	0.58
August 2009	0.66	0.64	0.62
July 2009	0.68	0.68	0.64
June 2009	0.72	0.67	0.64
May 2009	0.62	0.75	0.69
April 2009	0.79	0.81	0.74
March 2009	0.85	0.91	0.85
February 2009	0.81	0.85	0.78
January 2009	0.72	0.97	0.91
December 2008	0.90	1.03	1.08
November 2008	0.89	0.98	0.79
October 2008	0.75	1.01	0.97

**Coronation funds abridged income statements**  
for the year ended 30 September 2009

	Absolute Fund	Balanced Defensive Fund	Balanced Plus Fund	Bond Fund	Cash Plus Fund	Dynamic Protector Fund	Equity Fund	Financial Fund	Global Emerging Markets Flexible Fund	Income Fund	Industrial Fund	International Relative Value Fund of Funds
Net income/(loss) from operations before finance costs	159 373 207	43 396 884	423 247 616	34 387 253	8 173 736	3 313 784	245 368 393	19 489 444	39 366 004	8 237 159	12 503 790	(12 384)
Total finance costs	42 167 860	21 977 132	133 701 600	18 710 077	7 277 163	1 809 824	81 938 886	8 682 198	609 429	7 097 795	1 283 741	-
Distributions	41 839 251	21 977 132	133 701 600	18 710 077	7 277 163	1 809 824	81 938 886	8 682 198	390 114	7 097 795	1 283 741	-
Withholding tax on foreign dividends	328 609	-	-	-	-	-	-	-	219 315	-	-	-
<b>Change in net assets attributable to unit holders</b>	117 205 347	21 419 752	289 546 016	15 677 176	896 573	1 503 960	163 429 507	10 807 246	38 756 575	1 139 364	11 220 049	(12 384)
Net (loss)/income from operations before finance costs	(1 296 942)	136 040 488	166 597 813	3 554 556	127 410 135	(10 653 349)	36 703 590	13 276 403	300 915 333	376 876 688	(6 389 242)	-
Total finance costs	9 132	38 237 829	166 597 813	9 156 193	58 572 108	771 808	14 058 420	3 402 943	261 596 906	67 741 010	-	-
Distributions	951	38 237 829	166 597 813	7 141 554	58 572 108	771 808	14 058 420	3 402 943	261 596 906	67 741 010	-	-
Withholding tax on foreign dividends	8 181	-	-	2 014 639	-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unit holders</b>	(1 306 074)	97 802 659	-	(5 601 637)	68 838 027	(11 425 157)	22 645 170	9 873 460	39 318 427	309 135 678	(6 389 242)	-

**Coronation funds abridged balance sheets**  
as at 30 September 2009

	Absolute Fund	Balanced Defensive Fund	Balanced Plus Fund	Bond Fund	Cash Plus Fund	Dynamic Protector Fund	Equity Fund	Financial Fund	Global Emerging Markets Flexible Fund	Income Fund	Industrial Fund	International Relative Value Fund of Funds
Total assets	1 311 774 566	635 584 178	4 479 700 857	229 148 452	73 897 221	40 163 825	2 291 784 173	191 092 334	339 219 610	80 928 980	86 307 582	1 231 501
Total liabilities, excluding net assets attributable to unit holders	11 337 401	14 969 214	75 124 008	10 991 637	611 748	684 891	127 429 751	4 005 230	18 934 817	1 594 204	2 399 561	47 485
<b>Net assets attributable to unit holders</b>	1 300 437 165	620 614 964	4 404 576 849	218 156 815	73 285 473	39 478 934	2 164 354 422	187 087 104	320 284 793	79 334 776	83 908 021	1 184 016
Latitude [ZAR] Fund	26 003 073	1 217 357 394	1 662 645 014	945 097 304	907 319 313	164 764 948	273 046 583	137 322 363	3 014 013 587	2 562 854 079	785 419 939	-
Total liabilities, excluding net assets attributable to unit holders	670 937	22 684 797	10 570 089	54 120 594	24 213 469	471 069	3 984 985	3 972 842	55 088 777	69 729 153	1 213 468	-
<b>Net assets attributable to unit holders</b>	25 332 136	1 194 672 597	1 652 074 925	890 976 710	883 105 844	164 293 879	269 061 598	133 349 521	2 958 924 810	2 493 124 926	784 206 471	-



### Third-party funds abridged income statements for the year ended 30 September 2009

Rand	Kagiso Equity Alpha Fund	Kagiso Protector Fund	Kagiso Top 40 Tracker Fund	PPS Conservative Fund of Funds	PPS Enhanced Cash Fund	PPS Equity Fund	PPS Flexible Income Fund	PPS Managed Flexible Fund of Funds	PPS Moderate Fund of Funds
Net income from operations before finance costs	1 169 950	152 086	2 270 800	10 459 035	9 474 661	19 274 913	58 265 557	10 055 797	13 343 910
Total finance costs	141 021	394 286	2 504 989	6 921 119	9 134 007	2 611 613	47 143 695	2 958 791	5 582 835
Distributions	141 021	394 286	2 504 989	6 921 119	9 134 007	2 611 613	47 143 695	2 958 791	5 582 835
Withholding tax on foreign dividends	-	-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unit holders</b>	1 028 929	(242 200)	(234 189)	3 537 916	340 654	16 663 300	11 121 862	7 097 006	7 761 075

### Third-party funds abridged balance sheets as at 30 September 2009

Rand	Kagiso Equity Alpha Fund	Kagiso Protector Fund	Kagiso Top 40 Tracker Fund	PPS Conservative Fund of Funds	PPS Enhanced Cash Fund	PPS Equity Fund	PPS Flexible Income Fund	PPS Managed Flexible Fund of Funds	PPS Moderate Fund of Funds
Total assets	12 949 249	4 468 225	63 178 957	133 944 576	120 068 555	217 662 023	524 722 176	128 301 864	171 525 217
Total liabilities, excluding net assets attributable to unit holders	629 086	102 250	636 968	1 009 073	870 319	1 621 411	9 513 430	1 446 825	3 695 183
<b>Net assets attributable to unit holders</b>	12 320 163	4 365 975	62 541 989	132 935 503	119 198 236	216 040 612	515 208 746	126 855 039	167 830 034

Report in terms of Section 70(1) (f) of the Collective Investment Schemes Control Act (Act) 2002 (Act No 45 of 2002) ("the Act") for the period 1 October 2008 to 30 September 2009.

### Coronation Management Company Limited

ABSA Bank Limited, Trustee of Coronation Management Company Limited, confirms that we have proper controls in place to give us reasonable assurance that the following are being complied with by the Manager:

- (i) The limitations imposed on the investment and borrowing powers of the Manager by the Act, and
- (ii) In general with the provisions of the Act and the trust deeds.

However we wish to bring to your attention the following non-compliance issue in the scheme:

- (i) Minor errors and timing differences resulted in some compliance contraventions, which were however immaterial and the portfolios were compensated by the Manager.

We confirm that the portfolios incurred no losses as a result, and no investor has been prejudiced by any contraventions.

Should any investor require the detailed report kindly contact the Manager or the Trustee.



**Hilda de Villiers**  
Associate Principal  
ABSA Capital Investor Services



**Trompie Bothma**  
Associate Principal  
ABSA Capital Investor Services

30 October 2009

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## Coronation Management Company Limited

### Directors

HA Nelson (Chairman), PJ Koekemoer, JA Snalam, AC Pillay

### Company secretary

YS Moodley (resigned 1 December 2009)

L Parenzee (appointed 1 December 2009)

### Registration number

1995/010002/06

### Bankers

Nedbank Corporate Services, South Wing, Clock Tower Precinct, V&A Waterfront, Cape Town 8001

### Auditors

KPMG Inc., MSC House, 1 Mediterranean Street, Foreshore, Cape Town 8001

The source of the performance figures is Morningstar and I-Net Bridge. All performance figures are calculated using net asset value prices with income reinvested. These collective investment funds are offered by Coronation Management Company Limited, a wholly-owned subsidiary of Coronation Fund Managers Limited. Coronation Management Company is a member of the Association of Collective Investments. Collective investment funds 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. Forward pricing occurs at 15:00 each business day. Units 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. Commission and incentives may be paid and, if so, are included in the overall costs. Copies of the audited financial statements are available on request.

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