

TRUSTED INVESTMENT PERFORMANCE



Akashi Kaikyō Bridge, Japan. Longest suspension bridge in the world, with a central span of 1 991 metres.

Unit Trusts
Abridged Annual Report 2011

CORONATION 
FUND MANAGERS



Coronation client charter

- 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



Contents

Chairman's report	2
Chief investment officer's report	4
Domestic flagship fund range	6
International flagship fund range	8
Specialised fund range	10
Schedule of distributions	11
Abridged financial statements	12
Report of the trustee	16



Chairman's report



Hugo Nelson
Chairman

The 2011 financial year was a period in which financial markets produced muted returns, however our philosophy of investing with a long time horizon ensured that we continue to deliver strongly across fund mandates. This consistency of investment performance resulted in Coronation being named Best Large Fund House at the 2011 Morningstar South Africa Awards. An accolade which was supported by our top quartile performance across the domestic flagship fund range over all meaningful time periods of 3, 5, 10 years and since their respective launch dates to end September 2011. Another outcome of our consistent performance track record was a significant increase in the number of clients who chose us as their investment manager.

As one of the largest managers of third-party assets in the country, our first priority is to consistently deliver the best possible returns across all client mandates. To achieve this it is imperative that our business does not grow to a level that impedes our ability to outperform the markets. In the interest of preserving the integrity of our investment philosophy, we announced in May the pre-emptive closure of our specialist South African equity mandates to new institutional investors effective 31 March 2012. This closure has no impact on our unit trust investors.

Landscape

The unit trust industry attracted solid net inflows for the year to end September 2011 of R82 billion, compared to R103 billion of new assets last year.

Investors continued to favour multi-asset class funds (where exposure is to a combination of income and growth assets), which attracted more than half the available cash flows. Managed income funds, with an inflow of more than R20 billion, were significantly more popular than money market and near cash funds, which in aggregate achieved a small net outflow. This latter switch in preference was due to a combination of factors including historically low interest rates, pending tax changes affecting dividend income funds and a structural readjustment of the cash deposit landscape as banks prepare for the implementation of tighter capital standards. Rand-denominated international funds only managed to attract a relatively muted R5.6 billion of net inflows.

Against this backdrop Coronation benefitted from exceptionally strong investor support, attracting the highest level of net flows in the industry for the second consecutive year. In line with the rest of the industry, the majority of investors elected to invest in multi-asset class funds, with an even split across our pre-retirement and post-retirement funds. This move is indicative of the trust placed in us by investors to make the right asset allocation decisions on their behalf, particularly during volatile times.

Again, in line with the industry we saw limited appetite for our international fund range. While many investors remain sceptical, we believe that as international funds continue to outperform local funds, which they have in the recent past, demand levels will increase.

Regulatory changes and exchange control

The ongoing global financial crisis has had far reaching effects on the investment landscape in South Africa. From a regulatory perspective we have seen more proactive interventions as we move from a principle-based environment to one that is more intrusive. As a client centred business we fully support the objectives of providing greater consumer protection and a safer system.

In July the much anticipated changes to Regulation 28 of the Pension Funds Act came into effect. A key change is the shift in compliance to the Act from overall fund level to individual member level. This shift, we believe, is likely to strengthen the preference for multi-asset funds as the preferred underlying investment in retirement products given their constant compliance with Regulation 28.



At industry level, a key agenda item has been Government's intent to reform South Africa's social security and pension system. As a member of ASISA (the Association for Savings and Investment South Africa), we have been actively involved with a number of industry proposals designed to evaluate industry's capacity to match Government's objectives while still being able to meet the needs of our clients. We expect Government's next discussion document to be released during 2012, which we hope will give a clearer indication on the way forward.

During December 2010 National Treasury announced that the prudential investment limits applicable to international investments held by retirement funds would increase from 20% to 25%. In addition, further extending our ability to optimise this allowance, it was announced in October 2011 that all inward-listed shares are to be classified as domestic assets and consequently included in the JSE indices.

Investment performance

Performance highlights for the year include our flagship domestic multi-asset fund, **Coronation Balanced Plus**, which was ranked the no.1 balanced fund in South Africa over 5 years and since launch in 1996. The lower risk **Coronation Balanced Defensive**, was the no.1 conservative fund over 3 years and since launch in 2007, and our concentrated equity fund, **Coronation Top 20**, continued to outperform its benchmark with an impressive 7% per annum since launch in 2000. Similarly, our flagship absolute fund, **Coronation Capital Plus**, continued to deliver on its dual objective of income and growth, outperforming inflation by 8.1% per annum since launch in 2001, and our flagship fixed interest fund, **Coronation Strategic Income**, has beaten cash by an average 2.7% per annum since launch in 2001. All figures are quoted from Morningstar to end September 2011.

Looking at our international fund range, we are pleased with the performance of these funds. Three of our four flagship funds now have track records of 3 years, and rank in the top quartile of their respective Morningstar categories. We are particularly encouraged by the interest in our **Global Emerging Markets Flexible [ZAR] Fund** which has outperformed the MSCI Emerging Markets Index in US dollars by 4.3% per annum since 2007. In addition, our longest running fund, **Coronation World Equity [ZAR] Fund of Funds**, ranks in the top quartile over 5 years and since launch. This fund has outperformed the MSCI World Index

by an impressive 2.1% every year since 1997 (in US dollars net of all fees).

Client-centric focus and product development

Engaging with clients and the independent financial advisor (IFA) community on our investment views and fund offerings remains a high priority for us. We encourage clients to visit our website on which we've launched a new online investment tool, developed to help make the process of investing simpler and more efficient. We also understand that communication cannot be one-sided, which is why we launched a customer experience management system which we hope will help us improve our understanding of our clients' experience in dealing with us.

Over the year we continued to produce our quarterly newsletter, *Corospondent*, and *Corolab*, a publication that focuses on topical investment ideas. We also conducted 55 *Conversations with Coronation* presentations across the country.

We continue to host funds on behalf of PPS Investments.

Looking ahead

Our reading of the current investment conditions is that investors should prepare for a lower return environment in the foreseeable future. This belief is primarily informed by the weak outlook for the global economy, resulting in continued very low interest rates and deteriorating fundamentals for local financial markets. Reflective of our more muted outlook for domestic asset classes, and in line with our fee philosophy of being fair to clients and responsive to changes in market conditions, we reduced the annual management fee on three of our lower risk funds (Capital Plus, Money Market and Jibar Plus). We also implemented reductions across our rand-denominated international funds in May.

While we cannot forecast the future, we will continue to stick to our principles of focusing on the long term to ensure that we achieve the best possible returns for our clients.

We would like to thank our clients and the many independent financial advisors who have contributed to making 2011 such a successful year for Coronation.



Chief investment officer's report



Karl Leinberger
Chief investment officer

The past year proved to be an extraordinarily volatile and bruising period for investors. In the first half markets had to digest the implications of both the Japanese tsunami, subsequent nuclear disaster and unrest in North Africa. In the second half of the year risk assets sold off aggressively as policy makers failed to resolve the Euro crisis. This resulted in below-average returns from most asset classes as well as significant rand weakness as many global investors reduced exposure to growth assets in their portfolios.

Despite these extreme levels of volatility, our unwavering focus on the long term enabled us to again add value across the fund range. At Coronation, our investment philosophy and process are geared to look through the emotion of the day in order to identify long-term value. In other words, we value companies based on how we believe they will perform over the next five to ten years, not on how they are doing today or in a year's time. While this approach will often result in periods of short-term relative underperformance, we believe it is the only way of producing solid returns for our clients over the long term.

While 2011 was a relatively good year for Coronation, it is important to note that all asset managers with a successful long-term track record will have both good and bad years.

Portfolio positioning

Given the current global and domestic economic outlook, equities remain our preferred asset class for producing inflation-beating returns. In the first nine months of the year, we held what we consider to be a neutral equity exposure, and as panic consumed the markets in the final quarter increased to a marginally overweight position.

Domestic equities have outperformed global equities significantly over the past 10 years (17.4% per annum for the FTSE/JSE All Share Index versus 3.1% per annum for global equities in rand terms). However, we believe global equities currently offer better value. Multinational blue-chip companies are at their cheapest levels in 20 years with attractive dividend yields (especially when compared to cash) and pristine balance sheets. As such, our domestic multi-asset funds remained close to their 25% offshore limit for the duration of the year.

After a very long period of currency strength, the rand (along with other emerging market currencies) experienced a sharp sell-off in September. Given our long-held view that the rand was overvalued, our rand hedge investments such as MTN, SABMiller and British American Tobacco contributed to overall equity performance. All remain attractively valued global businesses, diversified across a number of geographies and currencies. As at end September, approximately 62% of our equity portfolios were invested in rand hedges.

Having remained underweight resources for most of the year, we moved slightly overweight in our equity and multi-asset funds. We added to the diversified miners (specifically our holding in Anglo American), Sasol and the paper stocks. While most commodity prices remain high, we believe that resources currently offer value, with selected resource shares trading at less than 10 times our assessment of normal earnings. We however remain underweight gold shares given our concerns over declining grades and enormous cost pressures faced by these businesses (labour, electricity and water).

We maintained our overweight position in banks, adding to this position on attractive valuations at 9 times our assessment of normal earnings and price-to-book ratios of



1.7 times. Banks are currently unloved by the market and this is reflected in their significant underperformance. Our view is that low earnings (low net interest margins and high bad debts) and a low rating represent a highly attractive investment proposition.

The earnings of the average industrial company are up four times since the start of the decade and even more in the case of consumer-facing businesses. We believe it will be a challenge to defend and grow off this base. We therefore held very few retailers other than Woolworths and Mr Price, and we remain defensively positioned. We continue to find value in selected small caps.

We believe the real returns from cash and bonds are likely to be relatively poor over the long term, both from a South African and global perspective. Short rates are likely to remain lower for longer and we believe that the unprecedented amount of fiscal and monetary stimulus thrown at the global economy will ultimately translate into higher inflation going forward. In South Africa, inflation has already started to rise at an alarming rate, heading towards the upper end of the target range of 6%. As a result, we have held very little to zero exposure to domestic and global government bonds in our portfolios throughout the year. Instead, we have held on to our significant holding in inflation-linked bonds and maintained good exposure to local corporate bonds.

We continue to be underweight property as we believe the yields remain too low and no longer offer value, especially in light of the once-in-a-lifetime bull market enjoyed by this asset class over the last decade.

Outlook

It remains our view that global economies will face an extremely difficult period in the years ahead. The investment environment is therefore likely to remain volatile and challenging for some time to come. Global equities, however, discount many of these concerns and we believe, offer good value.

In an environment fraught with uncertainty, we remain committed to our investment philosophy of investing for the long term.



Domestic flagship fund range

Coronation offers a range of domestic and international funds to cater for the majority of investor needs. These funds share the common Coronation DNA of a disciplined, long-term focused and valuation-based investment philosophy and our commitment to provide investment excellence.

INVESTOR NEED	FUND	1-YEAR ANNUAL RETURN TO SEP 2011	1-YEAR ANNUAL RETURN TO SEP 2010	5-YEAR ANNUAL RETURN TO SEP 2011	10-YEAR ANNUAL RETURN TO SEP 2011	CUM RETURN SINCE LAUNCH*	FUND DESCRIPTIVE AND LAUNCH DATE
LONG-TERM CAPITAL GROWTH	Top 20	6.1%	21.3%	14.1%	22.2%	780.6%	A focused portfolio of our top stock picks on the JSE. Invested in 15–20 shares selected from the 50 largest companies listed on the JSE, compared to the 40–60 shares held by the average equity fund. This concentration means that investors must have a longer time horizon. <i>Launched in October 2000</i>
	FTSE/JSE Top 40 Index	3.6%	20.0%	7.9%	16.5%	358.6%	
	Balanced Plus	6.2%	16.8%	10.9%	17.1%	890.8%	
	Composite equities, bonds and cash benchmark ¹	5.8%	17.4%	9.1%	15.5%	618.9%	Best investment view across all asset classes. Ideal for pre-retirement savers as it is managed in line with the investment restrictions that apply to pension funds. <i>Launched in April 1996</i>
INCOME AND GROWTH	Capital Plus	6.2%	13.7%	10.2%	14.5%	295.7%	Focused on providing a growing regular income. The fund has a higher risk budget than the typical income-and-growth fund, making it ideal for investors in retirement seeking to draw an income from their capital over an extended period of time. <i>Launched in July 2001</i>
	Inflation	5.7%	3.2%	6.8%	6.3%	86.0%	
	Balanced Defensive	8.5%	13.1%	–	–	52.2%	
	Inflation	5.7%	3.2%	–	–	37.3%	
						A lower risk alternative to Capital Plus for investors requiring a growing regular income. The fund holds less growth assets and more income assets than Capital Plus and has a risk budget that is in line with the typical income-and-growth portfolio. <i>Launched in February 2007</i>	
INCOME ONLY	Strategic Income	9.3%	12.1%	9.8%	11.0%	206.7%	Conservative asset allocation across the yielding asset classes. Ideal for investors looking for an intelligent alternative to cash or bank deposits over periods from 12 to 36 months. <i>Launched in July 2001</i>
	Cash	5.6%	6.9%	8.5%	8.9%	140.0%	

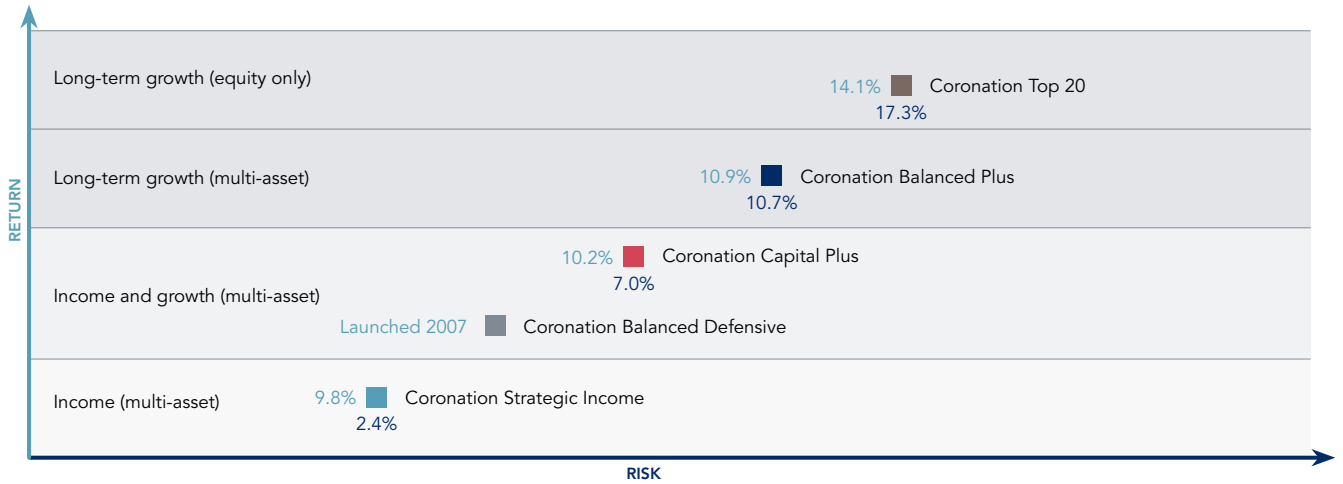
1. Benchmark for the Balanced Plus Fund comprises: 63% Equity (Capped All Share Index), 22% Bonds (All Bond Index), 10% Foreign (60% MSCI Equity gross, 25% JP Morgan Global Bond Index, 15% JP Morgan US\$ 3-month Treasury Bill) and 5% Cash.

* Cum return since launch = Cumulative returns since launch to 30 September 2011.



Risk versus return

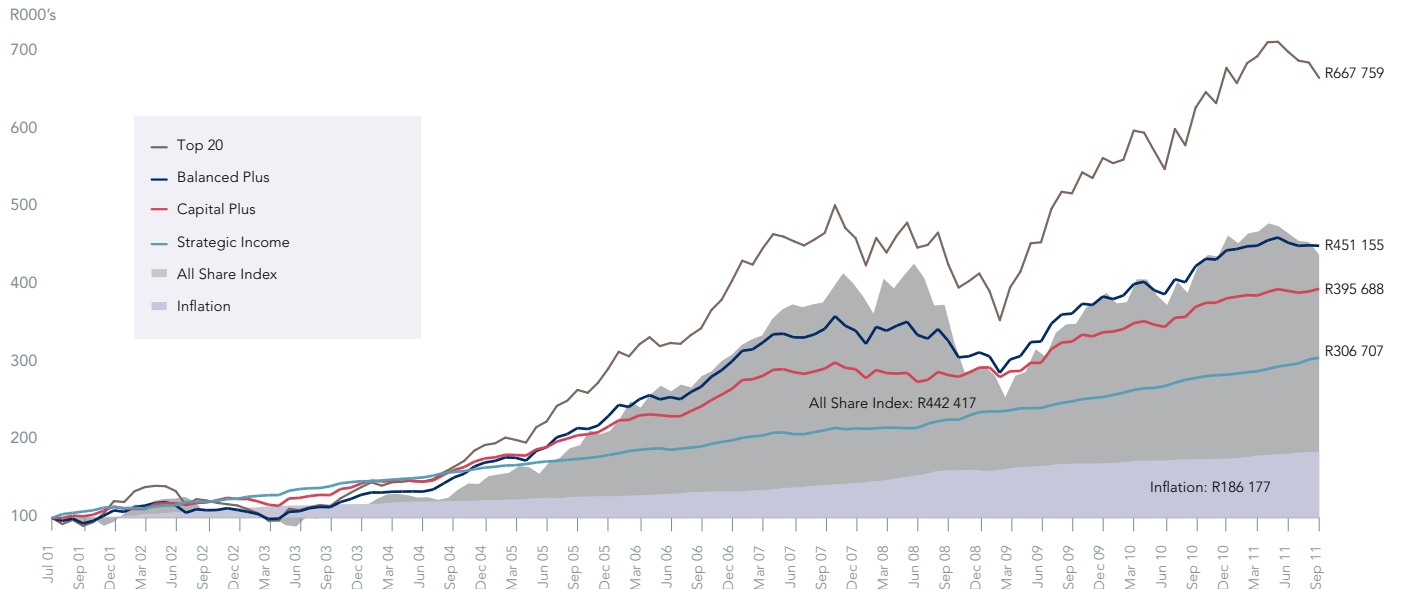
5-year annualised return and risk (standard deviation) quoted as at 30 September 2011. Figures quoted in ZAR after all income reinvested and all costs deducted.



Source: Morningstar

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

Value of R100 000 invested in Coronation's domestic flagship funds since inception of the Coronation Capital Plus Fund on 1 July 2001 as at 30 September 2011. All income reinvested for funds; FTSE/JSE All Share Index is on a total return basis. Balanced Defensive is excluded as it was only launched on 2 February 2007.



Sources: Morningstar and I-Net Bridge



International flagship fund range

INVESTOR NEED	FUND	1-YEAR ANNUAL RETURN TO SEP 2011	1-YEAR ANNUAL RETURN TO SEP 2010	3-YEAR ANNUAL RETURN TO SEP 2011	CUM RETURN SINCE LAUNCH*	FUND DESCRIPTIVE AND LAUNCH DATE
LONG-TERM CAPITAL GROWTH	Global Emerging Markets Flexible ¹ MSCI Emerging Markets Index (US\$)	(14.1%) (15.9%)	17.7% 20.5%	6.5% 6.6%	7.6% (21.7%)	Our top stock picks from companies providing exposure to emerging markets. The US dollar fund remains fully invested in equities at all times, while the rand fund will reduce equity exposure when we struggle to find value. <i>Launched in December 2007</i>
	World Equity [ZAR] Fund of Funds ¹ MSCI World Index (US\$)	(5.9%) (3.8%)	5.8% 7.3%	2.4% 0.5%	103.4% 52.4%	A focused portfolio of the best global equity managers. We will typically invest with 6–10 managers who share our valuation-based and long-term oriented investment philosophy. The fund can invest in all equity markets around the world, and is actively managed across geographies and currencies. <i>Launched in August 1997</i>
	Global Managed [ZAR] ¹ Composite equities and bonds benchmark ²	(6.6%) (0.3%)	– –	– –	3.4% 7.6%	A global balanced fund reflecting our best long-term global investment view for investors seeking to evaluate outcomes in hard currency terms. Will invest in different asset classes and geographies, with a bias towards growth assets in general and equities in particular. <i>Launched in October 2009</i>
CAPITAL PRESERVATION	Global Capital Plus [ZAR] ¹ 50% Libor + 50% Euribor (US\$)	(6.2%) 0.1%	6.0% (2.8%)	– –	23.6% 6.2%	A low-risk global balanced fund reflecting our best long-term global investment view moderated for investors with smaller risk budgets. While still focused on earning an attractive rate of return over time, the fund is managed to minimise the risk of losing capital over any 12-month period (measured in dollars). <i>Launched in September 2008</i>

1. Returns are in US\$. For rand returns, refer to the fund fact sheet in the Personal Investments section of www.coronation.com.

2. Benchmark for the Coronation Global Managed Fund comprises: 60% MSCI World (TR) Index and 40% Citigroup World Government Bond Index.

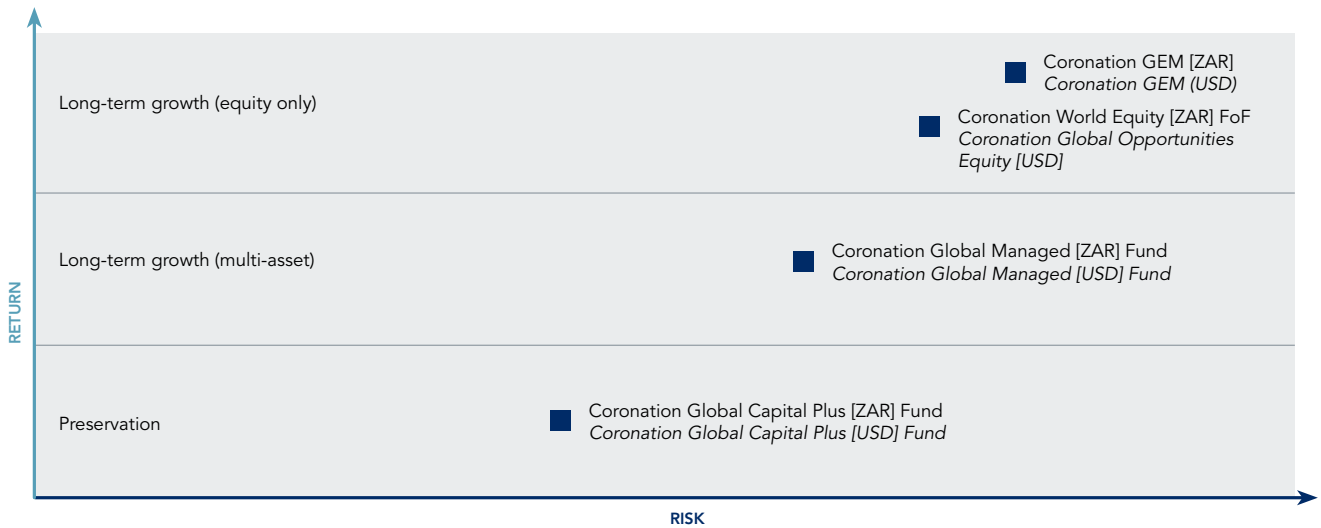
Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not necessarily an indication of future performance. Participatory interests are traded at ruling prices 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. A schedule of fees and charges is available on request from the management company. Pricing is calculated on a net asset value basis, less permissible deductions. Forward pricing is used. Commission and incentives may be paid and, if so, are included in the overall costs. Coronation Management Company is a member of the Association for Savings and Investment SA (ASISA).

Source: Morningstar as at 30 September 2011



Expected risk versus return

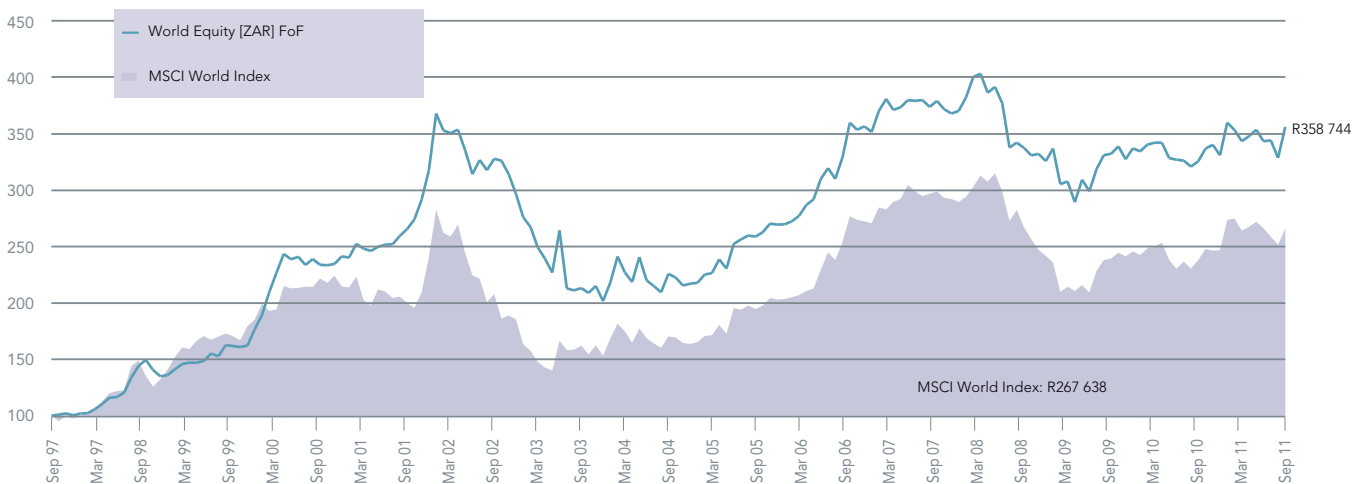
Expected return and risk positioning for both rand and dollar-denominated funds after all income reinvested and all costs deducted.



Source: Morningstar

Growth of R100 000 invested in the Coronation World Equity [ZAR] Fund of Funds on 1 August 1997

Value of R100 000 invested in the Coronation World Equity [ZAR] Fund of Funds on 1 August 1997 as at 30 September 2011. All income reinvested; MSCI World Index is on a total return basis. Global Capital Plus [ZAR], Global Emerging Markets Flexible [ZAR] and Global Managed [ZAR] are excluded as they do not have a 5-year track record.



Sources: Morningstar and I-Net Bridge



Specialised fund range

FUND	1-YEAR ANNUAL RETURN TO SEP 2011	1-YEAR ANNUAL RETURN TO SEP 2010	5-YEAR ANNUAL RETURN TO SEP 2011	10-YEAR ANNUAL RETURN TO SEP 2011	TOTAL RETURN SINCE LAUNCH	FUND DESCRIPTIVE AND LAUNCH DATE
LONG-TERM GROWTH FUNDS						
Absolute	4.4%	17.1%	9.5%	–	298.3%	A specialised version of Capital Plus, with fewer risk constraints and the ability to invest up to 100% in equities. <i>Launched in December 2002</i>
Equity	4.0%	24.5%	12.4%	19.6%	1 059.9%	A less concentrated equity-only option than Top 20 representing our best domestic equity view. <i>Launched in April 1996</i>
Market Plus	7.0%	17.8%	11.6%	19.0%	459.7%	Best investment view across all asset classes. Ideal multi-asset fund for discretionary savers. <i>Launched in July 2001</i>
Optimum Growth	7.8%	4.7%	2.5%	10.8%	340.0%	Best rand risk-adjusted returns from a global multi-asset portfolio. <i>Launched in March 1999</i>
INCOME AND GROWTH FUNDS						
Property Equity	9.2%	28.5%	15.3%	20.2%	647.7%	A sector-specific equity fund that invests in quality listed property assets. <i>Launched in November 2000</i>
SA Capital Plus	3.4%	18.3%	11.4%	–	188.6%	A specialised version of Capital Plus that invests in South African listed assets only. <i>Launched in April 2004</i>
INCOME FUNDS						
Jibar Plus*	6.8%	8.8%	8.7%	9.2%	208.7%	A conservative short-term parking vehicle for capital. <i>Launched in April 2000</i>
Money Market	5.8%	7.3%	8.7%	8.9%	188.1%	Aims to provide a higher level of income than fixed deposits and call accounts. <i>Launched in October 1999</i>
Optimal Income	3.9%	–	–	–	10.2%	Provides a higher total after-tax return than a traditional money market or pure income fund. <i>Launched in January 2010</i>
Preference Share	0.3%	19.3%	5.9%	–	33.2%	An income-producing, tax-efficient fund that primarily invests in preference shares for investors with a short investment horizon (less than three years). <i>Launched in October 2006</i>
BUILDING BLOCK FUNDS						
Bond	6.1%	15.5%	9.2%	10.7%	448.8%	Provides well diversified exposure to the South African bond market. <i>Launched in August 1997</i>
Financial	(0.6%)	24.1%	9.4%	15.5%	334.2%	A sector-specific equity fund of our top financial services stock picks. <i>Launched in July 1998</i>
Industrial	7.2%	29.3%	14.4%	22.0%	793.7%	A sector-specific equity fund of our top industrial stock picks. <i>Launched in July 1998</i>
Resources	3.4%	18.0%	9.9%	22.3%	973.3%	A sector-specific equity fund of our top resources stock picks. <i>Launched in October 1999</i>
Smaller Companies	3.7%	20.5%	7.8%	18.9%	485.0%	A sector-specific equity fund of our top small and mid capitalisation stock picks. <i>Launched in April 1997</i>

* The Coronation Income Fund was renamed to Jibar Plus during the course of the year.

For full details on fund fees please visit the Personal Investments section of www.coronation.com or contact Client Service on 0800 22 11 77.

Source: Morningstar as at 30 September 2011



Schedule of distributions

Distribution to unit holders for the year ended 30 September 2011 (cents per unit)

FUND AND FUND CLASS	31 DECEMBER 2010	31 MARCH 2011	30 JUNE 2011	30 SEPTEMBER 2011
Absolute Fund A		30.03		30.73
Balanced Defensive Fund A	1.01	0.98	0.99	0.95
Balanced Plus Fund A		54.44		57.7
Bond Fund R		51.34		48.51
Capital Plus Fund A	16.42	20.47	15.26	20.49
Equity Fund A		81.19		93.80
Financial Fund A		82.56		34.52
Global Emerging Markets Flexible [ZAR] Fund A		0.00		0.00
Global Managed [ZAR] Fund A		0.00		0.31
Jibar Plus Fund A	19.59	17.12	16.95	17.84
Industrial Fund A		60.06		76.31
Global Capital Plus [ZAR] Fund A		0.00		0.00
Market Plus Fund A		56.75		48.55
Optimal Income Fund A	1.09	0.75	0.61	0.92
Optimum Growth Fund A		3.22		33.14
Preference Share Fund A	0.89	1.98	0.82	1.62
Property Equity Fund A	20.85	79.53	22.20	63.08
Resources Fund A		43.31		62.82
SA Capital Plus Fund A	14.32	18.84	13.75	18.75
Smaller Companies Fund R		23.36		42.01
Strategic Income Fund A	20.98	21.06	22.10	18.94
Top 20 Fund A		131.89		81.41
World Equity [ZAR] Fund of Funds A		0.00		0.00

FUND AND FUND CLASS	2010			2011								
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Money Market Fund A	6.19	5.88	5.84	5.66	5.59	5.74	5.63	5.61	5.64	5.63	5.37	5.56

Distributions history shown for primary unit class of each fund. Distributions history for other unit classes are available from Client Service on request: contact 0800 22 11 77 or clientservice@coronation.co.za.



Abridged financial statements

Coronation funds abridged income statements

for the year ended 30 September 2011



Rand	Absolute Fund	Balanced Defensive Fund	Balanced Plus Fund	Bond Fund	Capital Plus Fund	Equity Fund	Financial Fund	Global Emerging Markets Flexible [ZAR] Fund
Net income from operations before finance costs	74 475 266	408 000 420	567 066 896	14 177 612	505 133 217	92 124 645	(1 666 892)	(17 978 959)
Total finance costs	31 049 399	167 177 431	245 208 458	17 429 273	227 224 227	70 037 152	8 070 080	1 633 353
Distributions	30 955 056	167 163 427	245 016 172	17 429 273	227 618 389	70 037 152	8 070 080	77 068
Withholding tax on foreign dividends	94 343	14 004	192 286	-	(394 162)	-	-	1 556 285
Change in net assets attributable to unit holders	43 425 867	240 822 989	321 858 438	(3 251 661)	277 908 990	22 087 493	(9 736 972)	(19 612 312)
	Global Capital Plus [ZAR] Fund	Global Managed [ZAR] Fund	Industrial Fund	Jibar Plus Fund	Market Plus Fund	Money Market Fund	Optimal Income Fund	Optimum Growth Fund
Rand								
Net income from operations before finance costs	14 856 813	16 873 067	13 162 458	7 675 394	117 777 750	94 738 238	11 928 948	85 271 643
Total finance costs	320 131	1 511 057	3 785 724	7 524 337	48 074 119	94 738 238	7 874 677	11 879 875
Distributions	142 225	796 004	3 785 724	7 524 337	48 135 693	94 738 238	7 874 677	8 300 628
Withholding tax on foreign dividends	177 906	715 053	-	-	(61 574)	-	-	3 579 247
Change in net assets attributable to unit holders	14 536 682	15 362 010	9 376 734	151 057	69 703 631	-	4 054 271	73 391 768
	Preference Share Fund	Property Equity Fund	Resources Fund	SA Capital Plus Fund	Smaller Companies Fund	Strategic Income Fund	Top 20 Fund	World Equity [ZAR] Fund of Funds
Rand								
Net income from operations before finance costs	(1 045 611)	122 791 036	(622 561)	14 089 845	5 464 536	464 992 782	280 864 543	67 413 377
Total finance costs	19 133 536	75 449 936	3 183 694	16 337 158	2 712 210	313 788 275	194 178 196	-
Distributions	19 133 536	75 449 936	3 001 638	16 337 158	2 712 210	314 074 965	194 178 196	-
Withholding tax on foreign dividends	-	-	182 056	-	-	(286 690)	-	-
Change in net assets attributable to unit holders	(20 179 147)	47 341 100	(3 806 255)	(2 247 313)	2 752 326	151 204 507	86 686 347	67 413 377

Third-party funds abridged income statements
for the year ended 30 September 2011

Rand	OPN Balanced Fund of Funds	OPN Conservative Fund of Funds	OPN Managed Flexible Fund of Funds	OPN Moderate Fund of Funds	PPS Balanced Fund of Funds	PPS Conservative Fund of Funds
Net income from operations before finance costs	(474 837)	2 878 578	1 371 202	2 147 961	(695 936)	13 355 921
Total finance costs	-	1 659 059	694 657	1 219 465	-	6 783 456
Distributions	-	1 659 059	694 657	1 219 465	-	6 783 456
Withholding tax on foreign dividends	-	-	-	-	-	-
Change in net assets attributable to unit holders	(474 837)	1 219 519	676 545	928 496	(695 936)	6 572 465

Rand	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	19 502 965	(10 585 789)	51 089 003	4 229 712	15 368 513
Total finance costs	18 809 414	5 529 203	47 382 468	37	6 220 985
Distributions	18 809 414	5 529 203	47 382 468	37	6 220 985
Withholding tax on foreign dividends	-	-	-	-	-
Change in net assets attributable to unit holders	693 551	(16 114 992)	3 706 535	4 229 675	9 147 528



Third-party funds abridged balance sheet
as at 30 September 2011

Rand	OPN		OPN		OPN		PPS	
	Balanced Fund of Funds	Conservative Fund of Funds	Managed Flexible Fund of Funds	Moderate Fund of Funds	Balanced Fund of Funds	Conservative Fund of Funds	OPN	PPS
Total assets	19 628 867	41 815 928	29 175 473	42 232 062	23 811 696	296 451 498		
Total liabilities, excluding net assets attributable to unit holders	5 372	1 105 033	714 509	1 071 065	61 692	4 900 961		
Net assets attributable to unit holders	19 623 495	40 710 895	28 460 964	41 160 997	23 750 004	291 550 537		
Rand								
Total assets	397 965 154	543 617 279	842 454 567	245 684 609	711 266 676			
Total liabilities, excluding net assets attributable to unit holders	2 074 289	8 651 289	16 268 210	783 330	7 568 846			
Net assets attributable to unit holders	395 890 865	534 965 990	826 186 357	244 901 279	703 697 830			



Report of the trustee

We, ABSA Bank Limited, in our capacity as trustee of the Coronation Management Company Limited ('the Scheme') have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended ('the Act'), for the period 1 October 2010 up to and including 30 September 2011 ('the Report').

The Report is available from us and/or Coronation Management Company Limited ('the Manager').

This letter is an abridged version of the Report.

Having fulfilled our duties as required by the Act, we confirm that the Manager of the Scheme has in general administered the Scheme:

- (i) within the limitations on the investment and borrowing powers of the Manager imposed by the Act, and
- (ii) in accordance with the provisions of the Act and the trust deeds.

We do, however, wish to bring to your attention the following instances of where the Manager has not administered the Scheme in accordance with the said limitations and provisions:

- (a) Some errors and timing differences resulted in contraventions of some of the limitations referred to in (i) and some of the provisions referred to in (ii) above. These contraventions were in our view not material and, where appropriate, the portfolios were compensated by the Manager for any loss (if any) that may have been suffered by the portfolios as a result on these contraventions.

We confirm that, according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

Should any investor require a copy of the Report, kindly contact the Manager.



Bennie van der Westhuizen
Principal

ABSA Capital Investor Services



Chantell Kruger
Manager

ABSA Capital Investor Services

31 October 2011



Coronation Management Company Limited

Directors

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

Company secretary

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

Ernst & Young Inc., Ernst & Young House, 35 Lower Long Street, 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 for Savings and Investment SA (ASISA). 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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