CORONATION FUND MANAGERS

PORTFOLIO MANAGER COMMENTARY

The calendar year 2009 turned out to be a great year for the fund as it significantly outperformed the benchmark of 19% with a return of 25%. This was despite a slightly weaker final quarter where the fund 'only' returned 6.2% against the benchmark of 7.4%. This quarterly underperformance was driven by very strong SA equity markets, particularly commodities, and a strong rand which meant that our international holdings detracted from overall performance.

Looking back, 2009 was arguably an easier year to position the fund for, given the obvious cheapness of equity markets and the expensive level of bonds at the beginning of the year. Looking forward to 2010 it is far less obvious where the good value lies and which asset classes hold the best potential returns. SA equities have performed extremely well and in certain areas are looking very expensive. As a result the fund has been reducing its SA equity weighting. International equities do still offer relatively attractive returns and this position has not been reduced. Within the SA equities holdings we have favoured more defensive businesses with fairly high conviction earnings and strong cash flows. In the rush to re-risk portfolios a lot of the quality defensive business have been overlooked. The domestic economy is by no means on a strong footing and indicators such as credit growth and retail sales show that the consumer is still struggling to reduce his/her debt burden rather than spend, which is adding to the economy's woes. In this uncertain environment the more certain earnings delivery from defensive businesses, we believe, are worth paying a premium for. Where we can buy these businesses at a discount we think it is a great investment opportunity.

In the international equity space the fund has trimmed back some of its emerging market exposure after the phenomenal performance of these markets in 2009. This has been invested into the developed markets where valuations are more attractive. It still amazes us that in a world of 0% interest rates we can still find great quality businesses on dividend yields of 4% and 5%!

With the reduced SA equity position the fund has had additional cash resources which we have started applying to additional listed preference shares. Preference shares are still offering better yields on a net basis than call rates. If you gross them up to a pre-tax basis they are offering a return in excess of twice what you could earn on call. We have also increased our bond weightings in the corporate space, locking in some very high credit spreads which will enable the fund to earn inflation-beating returns over the next five to seven years.

Given our longer-term outlook - the likelihood of rand weakness from this level - the fund continues to maintain its maximum offshore weighting, with the balance over equities being invested in high yielding corporate bonds.

To summarise, going forward it is a year where we are truly using all the elements of the flexible asset category that the fund is in to build a portfolio which will beat inflation and the benchmark for the foreseeable future.

Portfolio manager
Neville Chester

CORONATION MARKET PLUS

CLASS A as at 31 December 2009

CORONATION FUND MANAGERS

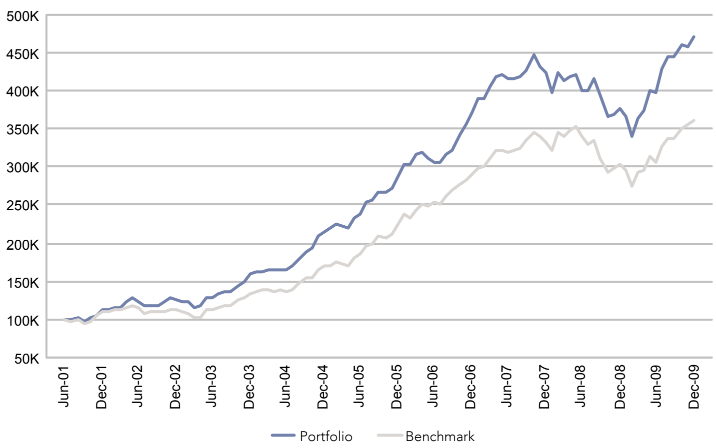
Fund category	Domestic - Asset Allocation - Flexible
Fund description	Invests across various domestic and international asset classes, with a bias towards the equity market over the investment cycle.
Launch date	02 July 2001
Portfolio manager/s	Neville Chester
Fund size	R 1.37 billion
NAV	3771.21 cents
Benchmark/Performance Fee Hurdle	Composite (63% equity, 22% bonds, 10% international, 5% cash) + 2% p.a.
Risk profile	Cons / Mod / Aggr

PERFORMANCE AND RISK STATISTICS[1]

GROWTH OF A R100,000 INVESTMENT

Portfolio R470 977

Benchmark R361 733



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	371.0%	261.9%	109.1%
Since Inception (annualised)	20.0%	17.7%	2.3%
Latest 5 years (annualised)	16.9%	18.3%	(1.3)%
Latest 3 years (annualised)	8.4%	9.2%	(0.8)%
Latest 1 year (annualised)	25.1%	21.1%	4.0%
Year to date	25.1%	21.1%	4.0%
2008	(10.9)%	(7.2)%	(3.7)%
2007	14.2%	16.0%	(1.8)%
2006	29.1%	32.0%	(2.8)%
2005	33.0%	34.5%	(1.5)%

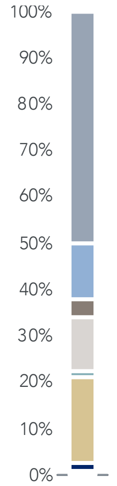
RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	12.3%	12.0%
Sharpe Ratio	0.82	0.48
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	67.6%	68.6%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2009
Domestic Assets	**78.8%**
Equities	49.8%
Oil & Gas	3.7%
Basic Materials	6.8%
Industrials	6.2%
Consumer Goods	7.7%
Health Care	1.9%
Consumer Services	7.9%
Telecommunications	6.4%
Financials	8.9%
Derivatives	0.2%
Preference Shares & Other Securities	12.0%
Real Estate	4.1%
Bonds	11.5%
Cash	1.5%
International Assets	**21.2%**
Equities	18.5%
Bonds	1.7%
Cash	0.9%



TOP 10 HOLDINGS

As at 31 Dec 2009	% of Fund
Coronation World Equity Fund	11.8%
MTN Group Ltd	5.5%
Coronation Global Emerging Markets Fund	4.1%
Standard Bank of SA Ltd	4.0%
Naspers Ltd	4.0%
Sasol Limited	3.7%
SABMiller Plc	2.4%
British American Tobacco Plc	2.1%
Compagnie Financiere Richemont SA	2.0%
Bidvest Group Limited	1.9%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2009	01 Oct 2009	36.01	20.37	15.64
31 Mar 2009	01 Apr 2009	91.03	75.26	15.77
30 Sep 2008	01 Oct 2008	65.22	52.89	12.33
31 Mar 2008	01 Apr 2008	28.76	22.59	6.17

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(2.9)%	(7.4)%	7.7%	2.8%	6.4%	(0.5)%	7.8%	3.8%	0.0%	3.8%	(0.6)%	2.9%	25.1%
Fund 2008	(5.7)%	6.4%	(2.4)%	1.1%	0.7%	(5.0)%	(0.3)%	4.3%	(5.2)%	(7.6)%	1.3%	1.8%	(10.9)%
Fund 2007	5.1%	0.5%	3.4%	3.8%	0.1%	(1.3)%	0.0%	1.0%	1.8%	5.2%	(3.8)%	(2.0)%	14.2%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 3.75% Sharing Rate: 20.00%

* 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.

Total Expense Ratio (TER)[2]	1.81% per annum, which includes a performance fee of 0.55%

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 positive return in line with or below the benchmark, the standard minimum fee will be levied. If the fund produces a negative return over a rolling 60-month period, the discounted minimum fee applies.

For further information regarding our fee structure please contact us or visit our website.

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.

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). [1]Performance is quoted from Morningstar as at 31 December 2009 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. [2]The 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 September 2009, as well as the actual performance fee incurred over the 12 months to end September 2009. 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.

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