

PORTFOLIO MANAGER COMMENTARY

The fund has had a reasonable start to 2009, appreciating by 4.8% in the 6 months to end June. Over one year the fund is marginally positive (+0.8%) against the backdrop of a 25% decline in the FTSE/JSE All Share Index. Since inception 6.5 years ago, the fund has compounded at 17.7% per annum, with relatively low volatility of around 11% compared to the market's volatility of close to 20%.

Several of the fund's holdings have contributed to the performance year to date, with the stand-outs being JSE Ltd (+38%), Naspers (+22%), AngloGold Ashanti (+13%), Truworths (+12%) and MTN (+11%). Naspers continues to be the fund's largest holding, as it has been for many years now. We believe that the group own one of the best assets on the continent (the SA and Africa Pay-TV business, Multichoice) and we also believe that the second largest contributor to earnings, the group's 36% stake in the Chinese internet business Tencent, is a high quality asset. Furthermore, we rate management's vision and entrepreneurial ability highly and believe that many of the group's more recent purchases (including Allegro, the Eastern European e-commerce business and Mail.Ru, the Russian internet portal) offer exciting long-term potential. We believe that the market continues to woefully undervalue Naspers and, in our view, the business is worth closer to R350 than the current share price of around R200 at the end of June.

There have not been significant changes to our views, nor the portfolio, over the past few months. We still believe that (selected) equities are the most attractive asset class and as such the fund continues to have relatively high SA equity exposure, around the 60% level. We have, however, continued to reduce the fund's commodities exposure given the strong share price appreciation of many of these stocks and over the past few months we totally sold out of Impala Platinum and reduced the long-held BHP Billiton position.

At the same time we increased the fund's Remgro and Spar positions, both of which we believe offer meaningful (40%+) upside. We like the assets that Remgro own and believe that most of them are undervalued. On top of this we are able to buy these assets at a 20% discount through Remgro. The proposed Venfin transaction also adds some interesting assets and additionally we have high regard for the Rupert family's ability to create value for shareholders over time. Spar, in turn, has many of the qualities that we look for in a business - a strong brand, a defensive earnings stream, high conversion of earnings into free cash flow, high ROE's and shareholder-friendly management. We believe that Spar is a well above average business that is currently trading on an (unjustified) average multiple and as such presents an attractive investment opportunity today.

We also continue to believe that global equities are more attractive than SA equities and the fund therefore has utilised its full 20% offshore allocation - all of it invested in global equities. We still see value in a few of the higher quality listed property stocks (with three year annualised expected returns far north of cash returns) and just under 3% of the fund is invested in this area. After the sharp derating in early July bonds are also starting to look more interesting and we have recently started to build a small position with a mix of government and corporate bonds.

Whilst conditions in the economy and the markets are likely to remain tough for some time, we believe that the fund is well placed to withstand the volatility and continue to generate long-term returns well in excess of both inflation and cash.

Portfolio managers

Edwin Schultz, Gavin Joubert and Louis Stassen

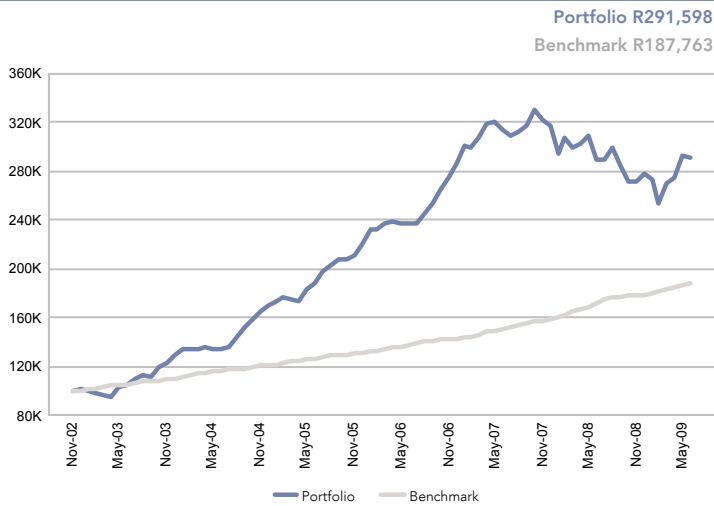
Fund category Domestic - Asset Allocation - Flexible
Fund description Aims to maintain a real growth rate of 6% per annum, and preserve capital over any rolling 36-month period.
Launch date 02 December 2002
Portfolio manager/s Edwin Schultz, Gavin Joubert and Louis Stassen

Fund size R 1.21 billion
NAV 2497.88 cents
Benchmark/Performance Fee Hurdle† CPI + 6% p.a.
Risk profile

Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	191.6%	88.3%	103.3%
Since Inception (annualised)	17.7%	12.2%	5.4%
Latest 5 years (annualised)	16.7%	12.8%	4.0%
Latest 3 years (annualised)	7.2%	14.5%	(7.4)%
Latest 1 year (annualised)	0.8%	13.7%	(12.9)%
Year to date	4.8%	7.6%	(2.9)%
2008	(12.2)%	16.3%	(28.5)%
2007	11.1%	14.6%	(3.5)%
2006	29.2%	11.0%	18.2%
2005	30.1%	10.0%	20.1%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	11.0%	1.8%
Downside Deviation	7.7	N/A
Sharpe Ratio	0.71	N/A
Maximum Gain	31.3	N/A
Maximum Drawdown	(23.3)	N/A
Positive Months	64.6	N/A

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(1.8)%	(7.1)%	6.1%	1.9%	6.8%	(0.5)%							4.8%
Fund 2008	(7.1)%	4.1%	(2.3)%	1.2%	1.8%	(6.2)%	(0.1)%	3.1%	(4.5)%	(4.9)%	0.1%	2.6%	(12.2)%
Fund 2007	5.3%	(0.6)%	3.0%	3.6%	0.4%	(2.0)%	(1.4)%	1.1%	1.7%	4.1%	(2.9)%	(1.3)%	11.1%

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	1.47% per annum, which includes a performance fee of 0.05%
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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 36-month period, the discounted minimum fee applies. For further information regarding our fee structure please contact us or visit our website.

†Benchmark Methodology - From January 2009 CPIX was replaced with a newly reweighted and rebased CPI. The benchmark is calculated using a combination of the official month-to-month CPIX numbers pre-January 2009 and the new CPI from January 2009.

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2009	100%
Domestic Assets	76.6%	
■ Equities	57.5%	
Basic Materials	7.3%	
Industrials	5.2%	
Consumer Goods	13.3%	
Consumer Services	19.2%	
Telecommunications	8.2%	
Financials	7.6%	
Technology	0.5%	
Derivatives	(3.7)%	
■ Real Estate	2.6%	
■ Cash	16.6%	
International Assets	23.4%	
■ Equities	23.1%	
■ Cash	0.3%	

TOP 10 HOLDINGS

As at 30 Jun 2009	% of Fund
Naspers Ltd	6.7%
MTN Group Ltd	6.0%
SABMiller Plc	5.1%
Coronation World Equity Fund	4.9%
Remgro Ltd	4.1%
Tiger Brands Ltd	3.7%
AVI Ltd	3.4%
Standard Bank of SA Ltd	3.2%
Johannesburg Stock Exchange Ltd	3.1%
British American Tobacco Plc	3.1%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2009	01 Apr 2009	77.40	62.13	15.27
30 Sep 2008	01 Oct 2008	43.93	34.71	9.22
31 Mar 2008	01 Apr 2008	17.62	11.30	6.32
28 Sep 2007	01 Oct 2007	28.56	19.38	9.18

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). ¹Performance is quoted from Morningstar as at 30 June 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. 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 March 2009, as well as the actual performance fee incurred over the 12 months to end March 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.