

PORTFOLIO MANAGER COMMENTARY

The fund ended the first half of 2009 broadly flat (-0.25%) in what was another very difficult period in global markets; a significant decline in the first few months of the year followed by a sharp rally in the subsequent months. As reference points, over this same period the MSCI World Index declined by 13.5% (in ZAR) and the FTSE/JSE All Share Index appreciated by 4%. Over the past five years the fund has compounded at 9.5% per annum (slightly shy of the fund's target of inflation +5%, but double the MSCI World Index's return of 5% per annum over this same period). Over 10 years the fund has compounded at 12% per annum, comfortably ahead of the target of inflation +5% and well ahead of the MSCI World Index's 2% per annum return. Additionally, the volatility of the fund over the past five and 10 years has been almost half that of both the MSCI World and the All Share Indices.

The impact of the strong ZAR on the fund's performance year to date merits some brief discussion. During the first 6 months of 2009, offshore cash would have given you a negative 22% return in ZAR due to an extremely strong ZAR (23% appreciation vs. the dollar YTD). As the fund is now 80% invested offshore, the strong ZAR has had a large impact on the fund's returns and masks a very strong underlying performance in many of the fund's holdings. In other words, in dollar terms the fund actually appreciated by 23% in the 6 months to June. To add further perspective, year to date the fund ranks second in the 12 Worldwide Flexible Funds and is the fourth best performing fund out of the 65 funds that are in the Worldwide Flexible, Foreign Flexible and Foreign Equity categories, with only one of the 27 Foreign Flexible funds and one of the Foreign Equity funds having performed better than Optimum.

Our key views today are broadly unchanged and can be summarised in a few points:

- The global economy is messy and the newsflow is terrible.
- We are, however, in our view not facing another Great Depression and the world will get through this.
- Valuations are extremely attractive – as attractive as they have been for many years.
- Global equity valuations (both first world and emerging markets) are far more attractive than South African equity valuations.
- Cash returns, particularly globally, are dismal (and will be eaten away by inflation over time) and bonds are still expensive and at risk of capital loss due to a de-rating over time.
- We have no idea what the ZAR will do over the short-term, but believe that it will depreciate over time (as it has done so for the past 10 years).

As a result of these broad views the fund continues to hold high equity exposure (80% - 90%), has negligible bond exposure (in early July we have bought a 1.5% position in the bombed-out Irish government 10-year bonds, which were yielding 5.7% on purchase) and has the bulk of its assets (80%) invested internationally. It must be noted that as important as the overall equity exposure, is where that exposure is invested. In this regard, the bulk of the fund's holdings have earnings streams that are more defensive in nature and where we can get higher conviction in the trajectory of those earnings over the next few years – areas like mobile telecommunications, beverages (beer, spirits and soft drinks), tobacco and US/global technology stocks. We also continue to find new ideas and two of the fund's larger purchases over the past few months are new positions in Japan Tobacco (1.7% of fund) and Pernod Ricard (1.8% of fund).

The share price of Japan Tobacco has declined from a peak of 700 000 yen in late 2007 to around 260 000 yen today. A decline of that magnitude for a supposedly defensive tobacco stock is enough to peak our interest and further work leads us to conclude that the sharp share price decline does indeed present an attractive opportunity. Despite its name, Japan Tobacco has over time become a global tobacco business through both the 1999 acquisition of RJR International (owner of the Camel and Winston brands) and the 2007 purchase of Gallaher (owner of Benson & Hedges brand amongst others). Today, approximately 45% of Japan Tobacco's earnings come from the declining domestic Japanese market. The other 55%, however, comes from the group's international business and a large part of this from growing emerging market countries, in particular Russia. As a result of this mix of businesses we believe the group can grow in the mid to high single-digit level for a number of years and today one can buy this defensive cash stream on a very attractive double-digit free cash flow yield.

Pernod Ricard is the second largest global spirits group (behind only Diageo) with an enviable portfolio of spirits brands that include amongst others Absolut vodka, Chivas Regal, Jameson, Martell and Kahlua. The share price of Pernod has also halved over the past two years, in part due to the global equity sell-off, but also due to the arguably expensive (and debt-funded) purchase of Absolut Vodka. The company, however, recently raised additional equity capital and this issuance provides adequate balance sheet stability in our view. Current trading conditions are tough, with continued pressure on volumes, but it is our view that Pernod's earnings three or four years from today will be substantially higher than current earnings. Today, the share trades on a 10 multiple which we believe is a very attractive price to pay for this collection of global spirit brands.

The vicious (and often indiscriminate) global market sell-off has provided us the opportunity to buy some of the highest quality businesses in the world at very attractive valuations. We are more excited about the portfolio than we have been at any point in the past five years and believe that the fund is well placed to generate well above average returns over the next few years.

Portfolio manager
Gavin Joubert

CORONATION OPTIMUM GROWTH

CLASS A as at 30 June 2009

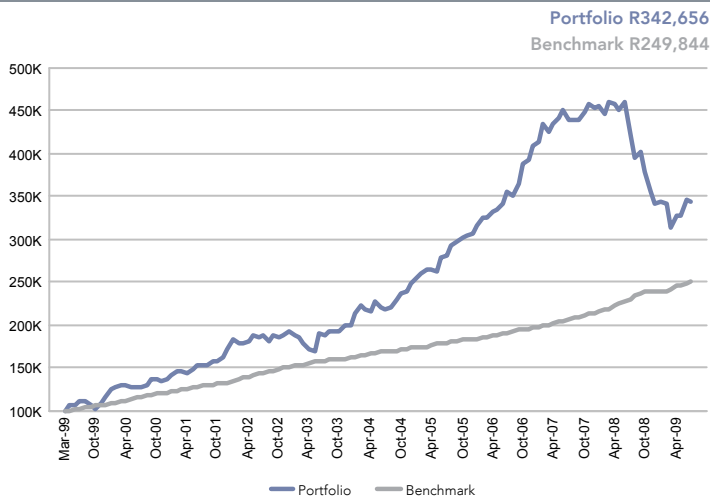
CORONATION
FUND MANAGERS

Fund category Worldwide - Asset Allocation - Flexible
Fund description An international rand-based fund that invests in a combination of local and international investments across all asset classes to deliver long-term growth.
Launch date 15 March 1999
Portfolio manager/s Gavin Joubert

Fund size R796.20 million
NAV 2850.23 cents
Benchmark/Performance Fee Hurdle† CPI + 5% 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)	242.7%	150.3%	92.4%
Since Inception (annualised)	12.8%	11.9%	0.8%
Latest 5 years (annualised)	9.5%	11.8%	(2.3)%
Latest 3 years (annualised)	(1.1)%	13.5%	(14.7)%
Latest 1 year (annualised)	(18.5)%	12.7%	(31.2)%
Year to date	(0.2)%	7.1%	(7.4)%
2008	(24.7)%	15.3%	(40.0)%
2007	10.4%	13.6%	(3.2)%
2006	31.1%	10.0%	21.1%
2005	23.9%	9.0%	14.9%

RISK AND RETURN VS MSCI WORLD & FTSE/JSE ALSI

	Fund	MCSI World (ZAR)	ALSI
Annualised return			
- Since inception	12.8%	1.7%	16.2%
- 5 years	9.5%	5.0%	20.3%
- 3 years	(1.1)%	(5.1)%	4.2%
- 1 year	(18.5)%	(30.0)%	(24.9)%
Annualised Deviation	11.6%	18.5%	19.9%
Sharpe Ratio	0.19	(0.47)	0.29
Downside Deviation	8.1%	11.0%	12.2%
Positive Months	65.9%	48.0%	58.5%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(0.4)%	(8.1)%	4.3%	0.0%	5.7%	(1.1)%							(0.2)%
Fund 2008	(2.4)%	3.1%	(0.3)%	(1.7)%	2.2%	(8.5)%	(6.1)%	1.6%	(5.5)%	(6.2)%	(4.0)%	0.6%	(24.7)%
Fund 2007	5.2%	(2.1)%	1.8%	2.0%	1.7%	(2.2)%	(0.4)%	0.4%	1.8%	2.2%	(0.9)%	0.5%	10.4%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.00% Maximum: 3.50% Sharing Rate: 15.00%

* 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 1.34% per annum, which includes a performance fee of 0.00%

When applicable, Coronation shares in the fund performance above the benchmark. This performance fee is accrued daily, based on the fund's financial year to date performance, and paid to Coronation annually. If the fund produces a return in line with or below the benchmark for the relevant financial year to date, the minimum fee of 1.00% 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
Equities	88.2%
North America	23.5%
South Africa	21.2%
Europe	20.7%
Asia	8.9%
Japan	7.8%
Latin American	6.1%
Cash	11.8%
USD	4.8%
ZAR	4.1%
Other	2.9%

TOP 10 HOLDINGS

As at 30 Jun 2009	% of Fund
Coronation GEM Flexible Fund	6.6%
Naspers Ltd	5.7%
MTN Group Ltd	5.6%
CF Morant Wright Japan Fund	4.0%
Microsoft Corp	3.1%
Heineken Holdings Ltd	2.3%
eBay Inc	2.3%
America Movil	2.3%
Pfizer Inc	2.2%
Carlsberg ASB	2.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2009	01 Apr 2009	29.60	26.43	3.17
30 Sep 2008	01 Oct 2008	27.68	25.03	2.65
31 Mar 2008	01 Apr 2008	37.15	29.64	7.51
28 Sep 2007	01 Oct 2007	31.60	23.36	8.24

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 performance fee accrued over the above period. Although the performance fee as included in the TER is calculated over the above period, the actual performance fee calculation and payment corresponds with the funds financial year end. 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.