

PORTFOLIO MANAGER COMMENTARY

As signs of the nascent economic recovery abound, global equity markets continued their phenomenal run, and the JSE was no exception. Risk appetite has returned with surprising vigour and the bystanders who moved to cash at the nadir of the market crash are being tempted back into equities and other risk assets. The fund delivered 11.8% for the quarter, comfortably ahead of the benchmark return of 10.3% and for the year to date has delivered a total return of 17.9% - well ahead of the benchmark return of 12.4%.

The benefits of a fully flexible fund have once again been borne out by the ability to increase equities appropriately when valuations were very attractive as well as to move quickly into other asset classes as these valuations have also turned. The fund benefitted significantly from having very little exposure to the expensive bond market at the beginning of the year, but we have now invested in a lot of attractively priced corporate bonds with yields that offer compelling inflation protection.

These special opportunities have not been limited to the SA market alone. We have used the fund's international allocation to successfully participate in very attractively priced issues from names such as Anglo American and Deutsche Bank. As a result of the financial crisis, investors have had a once-in-a-lifetime opportunity to make great investments in all asset classes.

As equities have re-rated we have started to reduce the fund's overall allocation to equity and mainly the SA equity portion. While value is still available, the relative attractiveness has reduced and as a result we have instead added to corporate bonds and increased the allocation to preference shares further. We still have a fairly full allocation to international equities given the fact that there has been less of a re-rating in these markets and on a long-term view they still offer compelling value. Within our equity positions we have tended back towards more defensive companies. These shares have not really participated in the recent rally and are once again offering compelling value. In the search for yield, that is once again at play, a lot of the more cyclical and higher risk companies have re-rated strongly and are fully pricing in a benign outcome to the global recession. This is by no means a definite outcome.

During this quarter we also increased the offshore allocation to close to its maximum, taking advantage of the rand's strength to externalise some more of the fund's assets. This was partly to increase the international equity weighting and partly to buy some of the interesting yield assets mentioned above. Our long-term outlook on the rand is that it will need to weaken from current levels in order to maintain SA's global competitiveness in the light of very sticky local inflation. While in the short term we find that the rand movement is unpredictable, over time measures such as Purchasing Power Parity (PPP) do hold true.

The fund now reflects a great balance between equities and high yielding bonds as well as preference shares which should deliver market-beating returns into the future.

Portfolio manager

Neville Chester

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 1.20 billion
NAV 3588.17 cents
Benchmark/Performance Fee Hurdle Composite (63% equity, 22% bonds, 10% international, 5% cash) + 2% p.a.

Risk profile

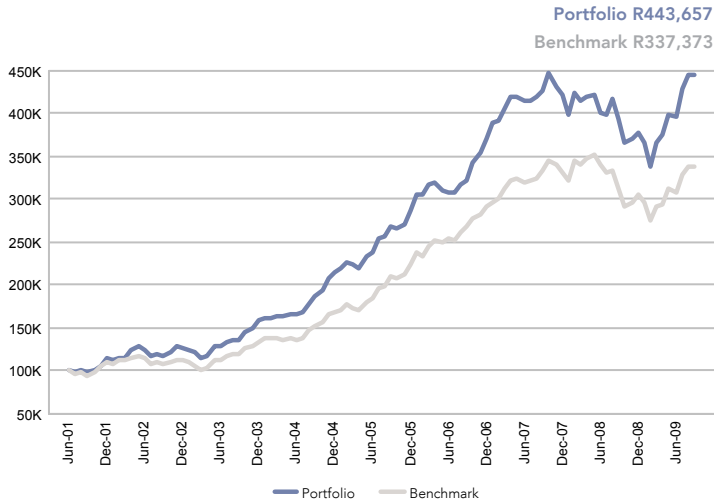
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PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	343.7%	237.5%	106.1%
Since Inception (annualised)	19.8%	17.2%	2.6%
Latest 5 years (annualised)	18.8%	18.9%	(0.2)%
Latest 3 years (annualised)	11.2%	9.6%	1.6%
Latest 1 year (annualised)	12.4%	9.8%	2.7%
Year to date	17.9%	12.4%	5.5%
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	12.5%	12.1%
Sharpe Ratio	0.78	0.43
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	67.7%	67.7%

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%				17.9%
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	1.69% per annum, which includes a performance fee of 0.36%
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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 60-month period, the discounted minimum fee applies.

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

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2009	100%
Domestic Assets	79.4%	
Equities	51.3%	
Oil & Gas	3.1%	
Basic Materials	7.5%	
Industrials	6.3%	
Consumer Goods	8.0%	
Health Care	1.6%	
Consumer Services	8.7%	
Telecommunications	6.5%	
Financials	9.7%	
Preference Shares & Other Securities	11.8%	
Real Estate	5.8%	
Bonds	8.8%	
Cash	1.8%	
International Assets	20.6%	
Equities	18.5%	
Bonds	1.3%	
Cash	0.7%	

TOP 10 HOLDINGS

As at 30 Sep 2009	% of Fund
Coronation World Equity Fund	12.5%
MTN Group Ltd	6.2%
Naspers Ltd	4.7%
Coronation Global Emerging Markets Fund	4.3%
Standard Bank of SA Ltd	4.2%
Sasol Limited	3.1%
SABMiller Plc	2.6%
Growthpoint Properties Ltd	2.4%
Compagnie Financiere Richemont SA	1.7%
Bidvest Group Limited	1.7%

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

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 September 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 June 2009, as well as the actual performance fee incurred over the 12 months to end June 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.