

PORTFOLIO MANAGER COMMENTARY

"The most interesting information comes from children. For they tell all they know and then stop."

Mark Twain

The last six months has seen better times for investors. The FTSE/JSE All Share and Resources indices rallied 37.5% and 30% respectively since March. The All Share (-25%) and Resources indices (-43%) are still below peak levels achieved in 2008.

Commodity prices also rallied from their lows, with the major Economist Metals Index up 70% from the low in February. All commodities are still significantly below the high prices achieved in 2007 and 2008. The rand strengthened by 25% in the same period, offsetting some of the benefit of higher prices to SA companies.

For the quarter, the fund delivered 14.0% relative to the 13.6% of our benchmark (the mean performance of competitor funds in the same sector). Over the last 12 months, the respective total returns were -4.3% and -2.5%.

In commodity markets, the debate currently centres around the sustainability of the demand we have seen from China in 2009 and the timing of a recovery in the Western World.

In China, a more resilient economy and the effectiveness of the massive stimulus package has enabled it to be one of the few countries where commodity demand and imports increased over last year. China, and a return of investment funds into commodity markets, has been the only support to commodity prices for much of this year. At current levels, Chinese demand now accounts for more than 50% of most commodities.

From the data we have available, it seems clear that some of the recent imports into China has gone into building inventories of commodities and does not necessarily reflect underlying demand. This would seem to indicate that we should expect at least a slowdown in the rate of imports into China.

In the face of slowing Chinese demand, the traditional consumer economies of the West have to make up for the difference. Western demand has been weak for most of this year, but has recently shown signs of recovery. Inventories are still low, and will need to undergo the same cycle of restocking as we have seen in China. The timing and strength of a recovery is uncertain, but it seems unlikely that mature economies will return to the debt-fuelled consumption rates of 2007 in the medium term.

We cannot predict commodity prices over a specific period with a reasonable amount of confidence. The world economy is a tremendously complex system with many non-linear feedback loops and unknowable events waiting in the future. Despite all the intelligence and analysis poured into forecasting, very few predicted the global economic crisis. Our view is that this poor forecasting performance will continue into the future. Nobody really knows.

In running your fund, we ignore the inevitable noise contained in forecasts and the debate of the day in the media. We focus on owning companies where the price paid compensates for the risk you take based on an uncertain future. We are confident that the fund will outperform its benchmark in most future scenarios.

Over the last quarter, the market gave us opportunities to reduce our share in companies that performed to levels closer to our estimates of fair value (Impala, AngloGold, Merafe, Sappi), and increase our holdings in laggards that we like (Gazprom, Zimplats). We took advantage of the current strength of the rand to increase our international holdings. Overall, our positioning has not changed much with essentially the same large holdings.

Portfolio managers

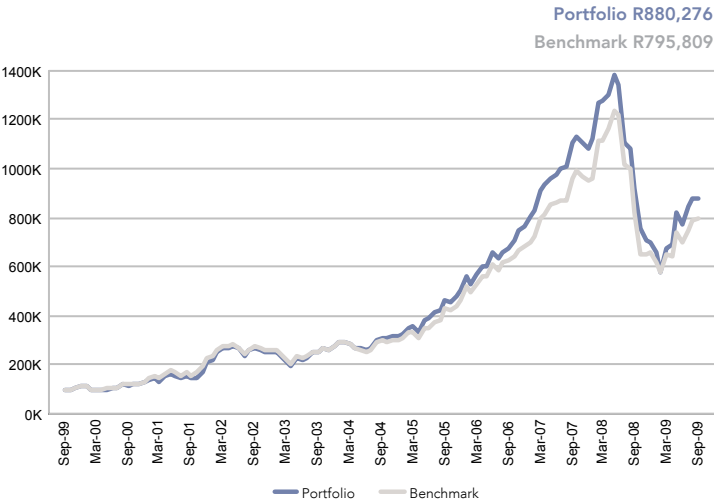
Henk Groenewald and Duane Cable

Fund category Domestic - Equity - Resources & Basic Industries
Fund description Invests in a broad range of resource and basic industry counters that are affected by changes in the commodity cycle.
Launch date 01 October 1999
Portfolio manager/s Henk Groenewald and Duane Cable

Fund size R164.55 million
NAV 6825.13 cents
Benchmark Resources & Basic Industries Sector Mean
Risk profile Cons Mod Aggr

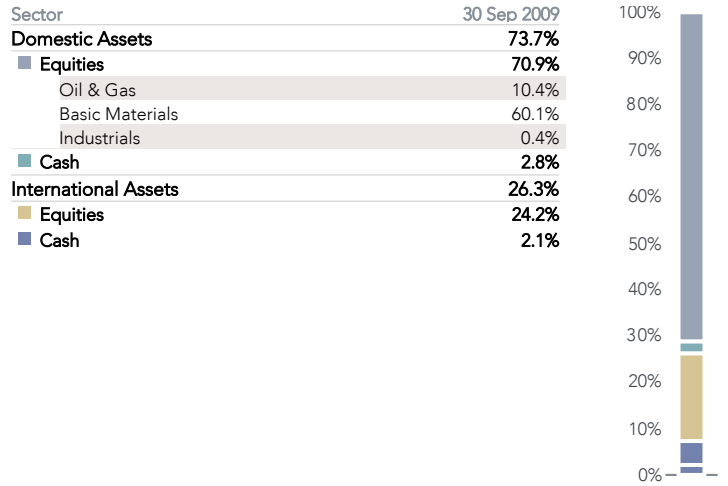
PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	780.3%	695.8%	84.5%
Since Inception (annualised)	24.3%	23.0%	1.2%
Latest 5 years (annualised)	23.0%	21.8%	1.3%
Latest 3 years (annualised)	9.5%	8.6%	0.9%
Latest 1 year (annualised)	(4.3)%	(2.5)%	(1.8)%
Year to date	26.2%	21.1%	5.1%
2008	(35.2)%	(30.6)%	(4.6)%
2007	41.8%	39.5%	2.3%
2006	50.1%	46.1%	4.1%
2005	60.0%	55.6%	4.4%

TOP 10 HOLDINGS

As at 30 Sep 2009	% of Fund
Anglo American Plc	16.1%
Mondi Plc	13.1%
Sasol Limited	10.4%
Impala Platinum Holdings Ltd	6.3%
OAO Gazprom Reg	5.8%
BHP Billiton Plc	5.0%
Anglogold Limited	4.8%
Zimplats Holdings Ltd	4.8%
Etf's Physical Palladium	3.9%
Pallinghurst Resources Ltd	3.1%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	24.9%	24.2%
Sharpe Ratio	0.57	0.53
Maximum Gain	93.4%	75.6%
Maximum Drawdown	(57.9)%	(53.4)%
Positive Months	64.2%	62.5%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2009	01 Oct 2009	10.53	8.16	2.37
31 Mar 2009	01 Apr 2009	23.74	22.09	1.65
30 Sep 2008	01 Oct 2008	87.32	83.57	3.75
31 Mar 2008	01 Apr 2008	39.88	25.30	14.58

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(5.6)%	(11.8)%	16.0%	2.5%	18.7%	(5.9)%	9.5%	3.6%	0.5%				26.2%
Fund 2008	3.8%	13.3%	0.7%	1.8%	6.2%	(2.9)%	(17.8)%	(2.1)%	(14.6)%	(18.0)%	(6.3)%	(1.4)%	(35.2)%
Fund 2007	5.8%	3.2%	9.3%	3.0%	2.9%	1.2%	2.9%	0.8%	9.5%	2.4%	(2.5)%	(2.4)%	41.8%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	1.00%

* 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	1.21% per annum
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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.