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 Alsi40 returned 13.9% for the quarter, bringing year-to-date returns to 18.6% - a surprising outcome for many who went into 2009 forecasting the return of the Great Depression. Pleasingly, the fund also delivered 13.9% for the quarter, bringing the year-to-date total return to 24.9% - a figure that is 6.3% ahead of the benchmark after all costs.

Looking at where we stood a year ago and how markets have panned out, one is struck by how rapidly the perceptions of risk have changed. While most commentators were desperate for capital protection 12 months ago, we are now back to a phase of immense risk appetite. Riskier asset classes are back in vogue and market participants are focusing more on return than the risk element of the equation. In the fund we are starting to reduce our exposure to more risky and more cyclical businesses. The rally we have seen has priced a very benign outcome into many cyclical shares and the reality is that the SA and global economy still faces some severe headwinds.

As part of the global risk trade we have seen the rand strengthen significantly as cash has flowed back into SA. While this is positive for inflation, it is seriously prejudicing our industrial base, which is having to shoulder double-digit wage increases and astronomic electricity cost increases. If it remains at this level it will have negative consequences for the manufacturing industry which will depress the levels of GDP and economic activity - the end result being a tougher domestic environment for longer.

In this environment we believe it is more appropriate to hold well priced, defensive businesses over cyclical stocks which are pricing in a rapid and successful return to healthy economic conditions. There are a number of companies which have re-rated very strongly off their lows, yet are still to see any change in their profitability. While we always look far ahead into the future to value our investments, we believe the investment case is weak when that future profit has been reflected in the share price.

The one cyclical sector we do continue to have exposure to is the banking sector which we think is not fully pricing in the earnings opportunity in the medium term. Banks have suffered from the massive increase in levels of bad debts, driven by very high interest rates and a declining economy. They have now also been impacted by the reduction in margin brought about by the very rapid reduction in interest rates so far this year. Looking forward there is likely to be strong earnings growth, driven by a normalisation of the bad debt charge and interest margins. Even without significant asset growth the banking sector should easily be able to achieve solid double-digit earnings growth as bad debts recover and margins increase due to a much more stringent pricing environment. This is not reflected in current valuations and is what makes the sector still attractive as an investment.

Going into the final quarter of the year and reflecting on the past period which has been a remarkable time in the financial markets, two consistent themes come through. The first is that it is impossible to successfully time equity markets. The 'gurus' who managed to avoid a large part of the downswing by being invested in cash, missed out on the substantial and rewarding recovery. If you are a long-term investor, which we believe is the key criteria for investing in equities, one should never try to time the markets.

The second point is that the quality and strong cash generative businesses are the ones that deliver the most consistent returns through the cycle, and they are the businesses that benefit from an economic downturn as their weaker competitors disappear from the corporate landscape. If you can buy these businesses at the right price, they make for great investments regardless of the cycle.

Portfolio manager
Neville Chester

CORONATION TOP 20

CLASS A as at 30 September 2009

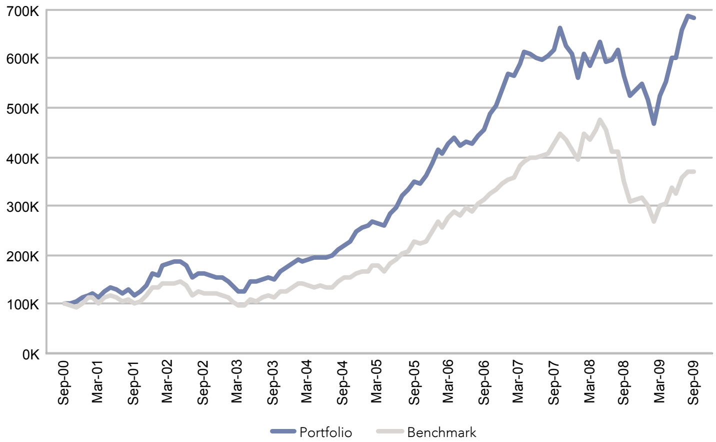
CORONATION FUND MANAGERS

Fund category	Domestic - Equity - Large Cap
Fund description	Aims to outperform the FTSE/JSE Top 40 Index, is actively managed and typically holds no more than 20 large cap stocks at any point in time.
Launch date	01 October 2000
Portfolio manager/s	Neville Chester

Fund size	R 2.50 billion
NAV	5812.29 cents
Benchmark/Performance Fee Hurdle	FTSE/JSE Africa Top 40 Index
Risk profile	Cons / Mod / Aggr (Aggr)

PERFORMANCE AND RISK STATISTICS[1]

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	584.1%	269.0%	315.1%
Since Inception (annualised)	23.8%	15.6%	8.2%
Latest 5 years (annualised)	25.6%	18.8%	6.8%
Latest 3 years (annualised)	14.6%	5.6%	9.0%
Latest 1 year (annualised)	21.5%	5.4%	16.1%
Year to date	24.9%	17.1%	7.8%
2008	(9.9)%	(23.6)%	13.7%
2007	13.5%	19.0%	(5.4)%
2006	38.6%	40.9%	(2.3)%
2005	50.9%	48.2%	2.6%

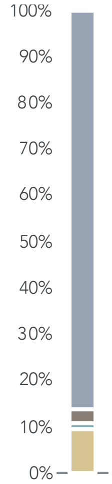
RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	18.8%	21.1%
Sharpe Ratio	0.73	0.26
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	63.9%	60.2%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2009
Domestic Assets	**90.5%**
Equities	**86.3%**
Oil & Gas	7.8%
Basic Materials	7.0%
Industrials	12.4%
Consumer Goods	12.9%
Health Care	3.7%
Consumer Services	13.8%
Telecommunications	9.8%
Financials	18.5%
Derivatives	0.3%
Real Estate	**2.9%**
Cash	**1.3%**
International Assets	**9.5%**
Equities	**9.5%**



TOP 10 HOLDINGS

As at 30 Sep 2009	% of Fund
MTN Group Ltd	9.8%
British American Tobacco Plc	9.5%
Naspers Ltd	8.2%
Standard Bank of SA Ltd	7.8%
Sasol Limited	7.8%
Remgro Ltd	7.0%
SABMiller Plc	6.0%
Bidvest Group Limited	5.4%
Nedbank Group Ltd	5.2%
Exxaro Resources Ltd	3.9%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2009	01 Oct 2009	20.47	18.03	2.44
31 Mar 2009	01 Apr 2009	209.46	207.04	2.42
30 Sep 2008	01 Oct 2008	93.07	91.71	1.36
31 Mar 2008	01 Apr 2008	33.40	29.59	3.81

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2009	(5.5)%	(9.5)%	11.9%	5.1%	8.8%	0.3%	9.4%	4.4%	(0.4)%				24.9%
Fund 2008	(7.6)%	8.3%	(4.1)%	5.0%	3.5%	(6.7)%	0.8%	3.5%	(8.8)%	(6.9)%	2.1%	2.4%	(9.9)%
Fund 2007	6.4%	(1.2)%	5.0%	4.0%	(0.7)%	(1.3)%	(1.2)%	1.7%	1.9%	7.7%	(5.8)%	(2.8)%	13.5%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.50% 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.

The annual management fee structure of this fund will be changed with effect from 1 November 2009.

Total Expense Ratio (TER)[2]	1.37% per annum, which includes a performance fee of 0.22%

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 12-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.

 [1]Performance 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. [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 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.