

PORTFOLIO MANAGER COMMENTARY

The fund returned 6.9% during 2010. This was ahead of the STeFi cash benchmark which returned 6.6% for the year.

This portfolio, the most conservative of the fixed income range of funds, has maintained a 90 day duration throughout the year as interest rates have declined. It also participated in 12 month floating rate notes at attractive spreads over Jibar (Johannesburg Interbank Average Rate), TBs (Treasury Bills) which became cheaper than bank NCDs during the year as well as corporate paper. The fund is a blend of the best quality short-dated money market assets available. We do not invest in instruments rated less than F1.

During late November the South African Reserve Bank announced a further 0.5% repo rate cut taking it to an all-time low of 5.5%. We are however concerned about a potential upward move in inflation this year and believe that ongoing interest rate cuts will further spur this on. We note that the last two CPI inflation readings have come in worse-than-expected (even though the absolute level is still low at 3.6% in November), yet interest rates are still being reduced. Breakeven inflation derived from the shorter end of the inflation-linked curve (2013 and 2017 maturities) remains near the top of the inflation target range at over 5.7%, indicating that the market is expecting inflation to average this figure over the next number of years.

We do not believe there is further scope for cutting interest rates. In fact, should any further repo rate cuts materialise, we would take that as another negative for the longer-term inflation outlook.

At this point in the interest rate cycle money market yields are at 30-year lows and therefore proving to be a problem to those relying on pure interest income from money markets. 3-month Jibar has settled at around 5.55% and with 3-month TBs yielding more at 5.65% and R155 bonds at 5.85%, government guaranteed assets offer good value to the money market. The fund is conservatively managed with only the best credits being selected for this low-risk portfolio. We therefore welcome the introduction of these cheaper-than-usual government guaranteed assets as they serve to further reduce the risk of the overall fund.

Looking forward, in this low interest rate environment we seek to achieve a steady long-term outperformance of our benchmark Jibar. However, the current low level of interest rates needs to be taken into account with regards to overall yield expectations.

Portfolio manager
Tania Miglietta

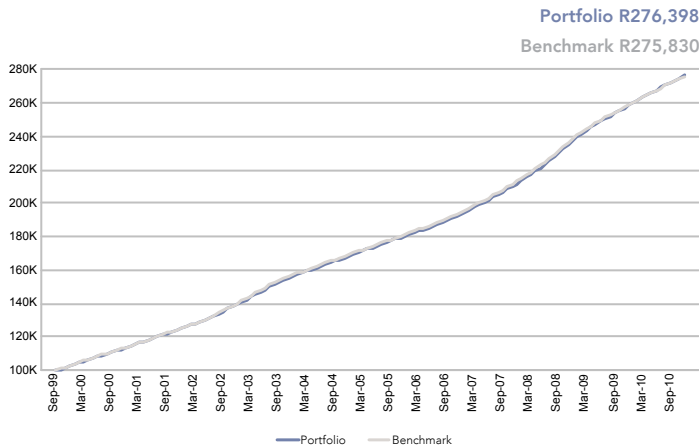
Fund category Domestic - Fixed Interest - Money Market
Fund description A fund which aims to outperform fixed deposits and call accounts, while ensuring capital preservation, stability and liquidity.
Launch date 01 October 1999
Portfolio manager/s Tania Miglietta

Fund size R 1.57 billion
NAV 100.00 cents
Benchmark Alexander Forbes 3-month (SteFl) Index
Risk profile



PERFORMANCE AND RISK STATISTICS ¹

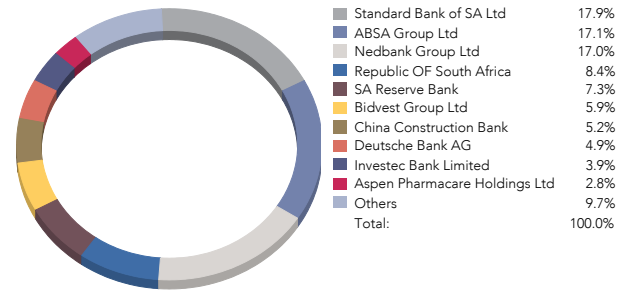
GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

CREDIT EXPOSURE

As at 31 Dec 2010



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	176.4%	175.8%	0.6%
Since Inception (annualised)	9.5%	9.4%	0.0%
Latest 10 years (annualised)	9.3%	9.3%	0.1%
Latest 5 years (annualised)	8.9%	8.7%	0.2%
Latest 3 years (annualised)	9.3%	9.0%	0.3%
Latest 1 year (annualised)	6.9%	6.6%	0.3%
Year to date	6.9%	6.6%	0.3%
2009	9.0%	8.6%	0.4%
2008	12.0%	11.7%	0.3%
2007	9.4%	9.4%	0.0%

MATURITY PROFILE DETAIL

Maturity Bucket	31 Dec 2010
0 to 3 Months	60.8%
3 to 6 Months	19.7%
3 to 7 Years	0.0%
6 to 9 Months	17.0%
7 to 12 Years	0.0%
9 to 12 Months	2.5%
Over 12 Years	0.0%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	0.56%	0.59%
Sharpe Ratio	(0.69)	(0.69)
Maximum Gain	176.4%	175.8%
Maximum Drawdown	0.0	0.00
Positive Months	100.0%	100.0%

The price of each unit is aimed at a constant price of 100 cents per unit. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund.

INCOME DISTRIBUTIONS

Declaration	Payment	Yield
31 Dec 2010	03 Jan 2011	5.84
30 Nov 2010	01 Dec 2010	5.88
31 Oct 2010	01 Nov 2010	6.19
30 Sep 2010	01 Oct 2010	6.35

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	0.57%	0.56%	0.66%	0.59%	0.59%	0.56%	0.55%	0.57%	0.54%	0.48%	0.52%	0.49%	6.90%
Fund 2009	0.96%	0.86%	0.92%	0.80%	0.70%	0.71%	0.66%	0.63%	0.61%	0.60%	0.61%	0.62%	9.00%
Fund 2008	0.87%	0.85%	0.91%	0.89%	0.91%	0.97%	0.99%	0.94%	1.04%	1.01%	0.91%	1.07%	12.00%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	0.25%

* 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 fee reduced to 0.25% from 0.30% (exc. VAT) from 1 September 2010.

Total Expense Ratio (TER) ²	0.35% per annum
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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 as calculated by Coronation as at 31 December 2010 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 September 2010. 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.

Advice Costs (excluding VAT)

- An ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- Ongoing advice fees may be negotiated to a maximum of 0.25% per annum 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.