

PORTFOLIO MANAGER COMMENTARY

The past quarter has not been good for global equity markets as concerns about the durability of the global recovery surfaced after the complacency brought about by the 2009 rally. Investors worried about the possibility of a double-dip recession, the unfolding debt crisis in Europe and a slowdown in China. Globally, emerging markets declined 9% (in dollars) over the quarter, while most developed markets fared worse. The South African equity market (as measured by the SWIX index) declined by 7% over the same period. More defensive asset classes did far better with local listed property returning 0.6%, bonds returning 1.1% and inflation-linked bonds returning 5.1%. The rand weakened by 5% against the dollar, but strengthened against the euro.

In this environment, the fund delivered a return of -2.9%. The main contributors to the negative absolute performance were equities and listed property, offset by fixed interest and cash. The 12-month return of 18.0% is still good and ahead of the benchmark. More importantly, since inception the fund has delivered on its mandate with a return of 17.7% versus 11.9% for the benchmark.

The return from the equity portion of the portfolio was -3.9% for the quarter, ahead of market indices. A more defensive equity selection and the purchase of put protection when insurance was cheap helped limit capital loss. Companies contributing to this performance were Spar, AngloGold and Vodacom, while larger declines in Naspers and MTN detracted from performance.

We used the market correction to increase equity exposure, specifically in selected resource companies. We bought Anglo American, BHP Billiton, Impala and Sasol. BHP and Impala have not appeared in your fund for a while and the market allowed us to buy them at what we regard as attractive prices. We further increased equity exposure by selling some of the put protection we previously bought at attractive prices at much higher volatilities. We also continued our buying of selected small cap shares. Domestic equity exposure moved from 54% in the beginning of the quarter to 54% at the end.

We have continued reducing our exposure to listed property and concentrated our holdings in a few selected companies. In general, we consider the listed property companies to be expensive, both on an absolute basis and relative to international property shares.

The fixed income component of the portfolio returned 4.57% for the quarter, relative to the All Bond Index's 1.12%. This was mainly due to a strong performance from inflation-linked bonds which continued to perform well. Over the last year, exposure to this asset class increased by a large margin, and 8% of your portfolio is now invested in inflation-linked bonds.

Due to poor international equity markets, international exposure detracted from performance. This is also the case over a 12-month period. Despite the relatively poor historic returns (and in a small measure because of it), we continue to advocate a maximum offshore exposure. We think that the rand is vulnerable to changes in risk appetite, and on top of this view we continue to prefer offshore equities to domestic equities.

Uncertainty and volatility will continue to be a factor in the months ahead. Nevertheless, we believe the portfolio is well positioned to deliver on its dual mandate of inflation-beating returns and capital protection over a rolling 36-month period.

Portfolio managers

Louis Stassen and Henk Groenewald

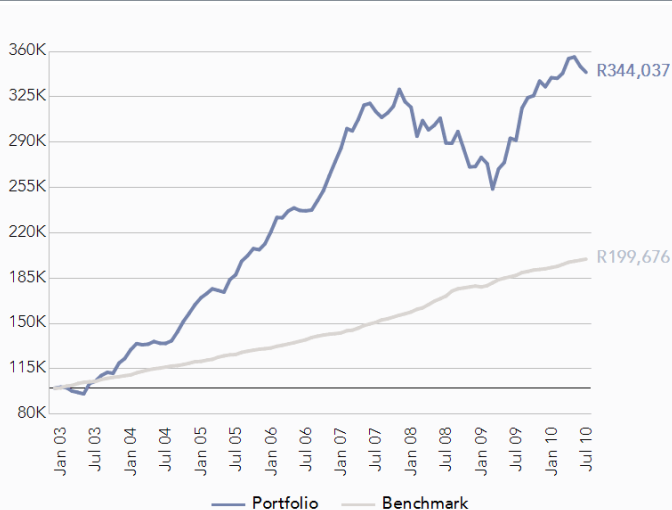
Fund category Domestic - Asset Allocation - Flexible
Fund description Aims to maintain a real growth rate of 6% per annum, and preserve capital over any rolling 36-month period.
Launch date 02 December 2002
Portfolio manager/s Louis Stassen and Henk Groenewald

Fund size R 1.52 billion
NAV 2915.31 cents
Benchmark/Performance Fee Hurdle CPI + 6% p.a.
Risk profile

Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2010	%
Domestic Assets	77.5%	
Equities	53.9%	
Oil & Gas	1.8%	
Basic Materials	6.7%	
Unit Trust	3.2%	
Industrials	10.4%	
Consumer Goods	8.1%	
Health Care	0.3%	
Consumer Services	9.1%	
Telecommunications	9.9%	
Financials	5.1%	
Derivatives	(0.5)%	
Preference Shares & Other Securities	0.8%	
Real Estate	2.6%	
Bonds	14.4%	
Cash	5.9%	
International Assets	22.5%	
Equities	19.4%	
Real Estate	2.1%	
Bonds	0.5%	
Cash	0.4%	

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	244.0%	100.2%	143.9%
Since Inception (annualised)	17.7%	11.9%	5.8%
Latest 5 years (annualised)	12.9%	12.9%	0.0%
Latest 3 years (annualised)	3.1%	13.7%	(10.6)%
Latest 1 year (annualised)	18.0%	10.4%	7.6%
Year to date	1.2%	5.3%	(4.1)%
2009	22.1%	12.3%	9.8%
2008	(12.2)%	16.3%	(28.5)%
2007	11.1%	14.6%	(3.5)%
2006	29.2%	11.0%	18.2%

TOP 10 HOLDINGS

As at 30 Jun 2010	% of Fund
MTN Group Ltd	7.5%
Remgro Ltd	5.4%
British American Tobacco Plc	5.0%
Coronation Gbl Opp Eqty Fd Cl B	4.9%
Coronation Global Managed Fund - Class A	3.7%
Naspers Ltd	3.2%
Spar Group Ltd	3.1%
Coronation Global Managed Fund A	3.0%
Anglo American Plc	2.8%
Tiger Brands Ltd	2.6%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	10.8%	1.7%
Downside Deviation	7.4	N/A
Sharpe Ratio	0.75	N/A
Maximum Gain	31.3	N/A
Maximum Drawdown	(23.3)	N/A
Positive Months	64.8	N/A

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2010	01 Apr 2010	16.66	5.37	11.29
30 Sep 2009	01 Oct 2009	15.07	1.67	13.40
31 Mar 2009	01 Apr 2009	77.40	62.13	15.27
30 Sep 2008	01 Oct 2008	43.93	34.71	9.22

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(0.1)%	1.1%	3.3%	0.4%	(2.1)%	(1.3)%							1.2%
Fund 2009	(1.8)%	(7.1)%	6.1%	1.9%	6.8%	(0.5)%	8.5%	2.6%	0.5%	3.5%	(1.3)%	2.1%	22.1%
Fund 2008	(7.1)%	4.1%	(2.3)%	1.2%	1.8%	(6.2)%	(0.1)%	3.1%	(4.5)%	(4.9)%	0.1%	2.6%	(12.2)%

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.

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.

Total Expense Ratio (TER)² 2.89% per annum, which includes a performance fee of 1.46%

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 36-month period, the discounted minimum fee applies. For further information regarding our fee structure please contact us or visit our website.

¹Benchmark 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.

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 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 March 2010, as well as the actual performance fee incurred over the 12 months to end March 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.