

PORTFOLIO MANAGER COMMENTARY

The fund had a decent start to the year, appreciating by 3.3%. Over the past year the fund has generated a return of 27.4%, which is well ahead of its target of inflation +5% and also some 10% ahead of the return of the MSCI World Index. Over the past 5 years the fund has generated a return of 9.5% per annum and in the more than 10 years since inception it has generated a return of 14.1% per annum.

We continue to find very good value in global equities in particular, and this is reflected in the fund's equity exposure in the low 80's. Although the equity exposure is reasonably high, we would make the point that the bulk of the fund's equity exposure continues to be held in more defensive businesses such as telecommunications (MTN, Vodafone, Telefonica and Vivendi), pharmaceuticals/healthcare (Pfizer, Johnson & Johnson and CVS Caremark), food retail (Safeway and Tesco), global fast food (McDonalds and YUM Brands) and pay-TV/cable (Naspers, DirectTV and Time Warner Cable), which we believe offer very attractive risk/return profiles: reasonably visible free cash flow growth over the next 4 - 5 years with attractive valuations. We continue to believe that bonds are expensive and the fund has negligible exposure in this area.

Over the past few months, the fund's largest new position was that of Qualcomm. Qualcomm are a US listed and headquartered business, but generate a large part of their revenue (over 60%) from emerging markets, in particular China and Korea. Qualcomm have two parts to their business – making and selling chipsets for mobile phones and licensing software for 3G mobile phones. The company is the leader in the supply of technology to the mobile phone industry and counts most of the global handset producers amongst their customers. In effect, Qualcomm have made it their business to perform the R&D function for the handset manufacturers – over the past 10 years R&D as a percentage of sales has increased from being less than 10% of sales to over 20% of sales. As the 3G and smartphone market continue to grow around the world, Qualcomm benefits as it is their technology that is used in these mobile phones. Extremely short-term focused market participants gave us the opportunity to buy Qualcomm at a very attractive price as the share was sold down after announcing quarterly results that were behind market expectations. Yes, quarterly results! Qualcomm has almost \$20 billion (\$ 12 a share) of net cash on the balance sheet and at our average purchase price of around \$38 we bought the company on around 11x this year's earnings excluding the net cash position, which we believe is a very attractive price for a company of this quality.

Over the past few months the fund also increased its position in Safeway and this company is now one of the largest holdings in the fund. Safeway are the 3rd largest food retailer in the US behind Walmart and Kroger. The company has 1,730 stores and has spent the past 5 years undergoing an extensive store refurbishment programme. By the end of 2010 some 88% of their store base would have been converted to the new format (termed "lifestyle", which offers a much better shopping environment as well as a larger high margin fresh produce section). At the same time, the price points of Safeway have been reduced to closer to the level of its rivals and the combination of newly revamped stores and attractive prices should have a favourable impact on footfall over the next few years. Earnings are not particularly high, with operating margins currently around 3.3% compared to the 4% average level of the past few years. In addition to this, the business will generate a large amount of free cash flow over the next few years as the capital expenditure cycle is now largely complete. A large part of this free cash flow is being used to buy back (undervalued) shares - in 2009 alone, the company bought back over 10% of its shares in issue. In the financial year ended 31 December 2009 the business generated \$1.5 billion of free cash flow (partly due to one-off amounts and below normal capital expenditure) and should continue to generate at least \$1 billion of free cash flow a year going forward. The current market capitalisation is around \$ 10 billion, which means that the company is therefore trading on a price/free cash flow multiple of 10x which we find very attractive.

Over the past few months we continued to increase the fund's international exposure, taking it to close to 90% of the fund. The reason for this is two-fold: firstly we are struggling to find undervalued SA equities (and still finding very good value in selected global equities) and secondly we believe the rand is too strong and fundamentally overvalued. The remaining 10% SA exposure is the lowest in the fund's history and we believe that the decision to invest such a large portion of the fund offshore will reap rewards for unitholders over the next few years.

Portfolio manager
Gavin Joubert

CORONATION OPTIMUM GROWTH

CLASS A as at 31 March 2010

CORONATION
FUND MANAGERS

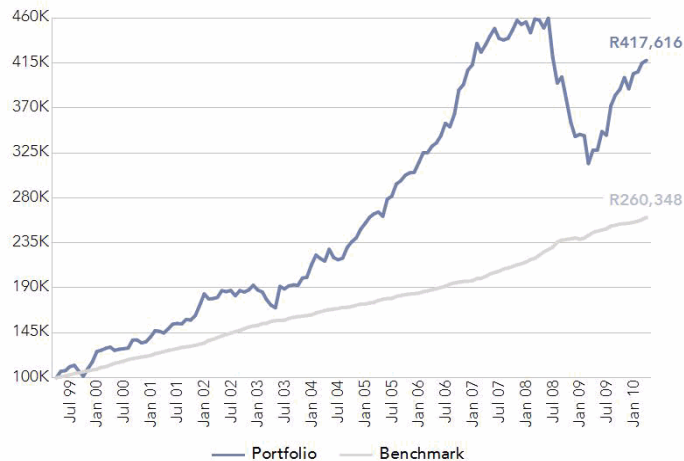
Fund category Worldwide - Asset Allocation - Flexible
Fund description An international rand-based fund that invests in a combination of local and international investments across all asset classes to deliver long-term growth.
Launch date 15 March 1999
Portfolio manager/s Gavin Joubert

Fund size R 1.04 billion
NAV 3473.56 cents
Benchmark/Performance Fee Hurdle† CPI + 5% p.a.
Risk profile

Cons Mod Aggr

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2010
Equities	82.0%
North America	41.0%
Europe	25.4%
South Africa	6.6%
Japan	5.1%
Asia	2.5%
Latin American	1.4%
Bonds	1.5%
Europe	0.8%
North America	0.7%
Cash	16.5%
Other	7.1%
ZAR	7.0%
USD	2.4%

PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	317.6%	160.8%	156.9%
Since Inception (annualised)	13.9%	11.8%	2.1%
Latest 5 years (annualised)	9.5%	11.9%	(2.4)%
Latest 3 years (annualised)	(1.2)%	13.3%	(14.6)%
Latest 1 year (annualised)	27.4%	10.1%	17.3%
Year to date	3.3%	3.0%	0.3%
2009	17.7%	11.3%	6.4%
2008	(24.7)%	15.3%	(40.0)%
2007	10.4%	13.6%	(3.2)%
2006	31.1%	10.0%	21.1%

TOP 10 HOLDINGS

As at 31 Mar 2010	% of Fund
Coronation Global Em Ff	6.1%
MTN Group Ltd	5.8%
CVS Caremark Corp	3.7%
Naspers Ltd	3.7%
Safeway Inc	3.4%
CF Morant Wright Japan Fund	3.1%
OAO Gazprom Reg	3.0%
Pfizer Inc	3.0%
Symantec Corp	3.0%
Johnson & Johnson	3.0%

RISK AND RETURN VS MSCI WORLD (ZAR) & FTSE/JSE ALSI

	Fund	MCSI World	ALSI
Annualised return			
- Since inception	13.9%	3.3%	18.8%
- 5 years	9.5%	6.8%	19.9%
- 3 years	(1.2)%	(4.8)%	4.6%
- 1 year	27.4%	16.7%	44.1%
Annualised Deviation	11.5%	18.2%	19.7%
Sharpe Ratio	0.31	(0.39)	0.43
Downside Deviation	8.0%	10.9%	12.2%
Positive Months	67.4%	50.0%	61.4%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2009	01 Apr 2009	29.60	26.43	3.17
30 Sep 2008	01 Oct 2008	27.68	25.03	2.65
31 Mar 2008	01 Apr 2008	37.15	29.64	7.51
28 Sep 2007	01 Oct 2007	31.60	23.36	8.24

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	0.5%	2.2%	0.7%										3.3%
Fund 2009	(0.4)%	(8.1)%	4.3%	0.0%	5.7%	(1.1)%	8.6%	2.9%	1.4%	3.1%	(2.8)%	3.9%	17.7%
Fund 2008	(2.4)%	3.1%	(0.3)%	(1.7)%	2.2%	(8.5)%	(6.1)%	1.6%	(5.5)%	(6.2)%	(4.0)%	0.6%	(24.7)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.00% Maximum: 3.50% Sharing Rate: 15.00%

* 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 1.39% per annum, which includes a performance fee of 0.07%

When applicable, Coronation shares in the fund performance above the benchmark. This performance fee is accrued daily, based on the fund's financial year to date performance, and paid to Coronation annually. If the fund produces a return in line with or below the benchmark for the relevant financial year to date, the minimum fee of 1.00% applies. For further information regarding our fee structure please contact us or visit our website.

[†]Benchmark 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.

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 31 March 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 December 2009, as well as the performance fee accrued over the above period. Although the performance fee as included in the TER is calculated over the above period, the actual performance fee calculation and payment corresponds with the fund's financial year end. 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.