

## PORTFOLIO MANAGER COMMENTARY

Equity markets across the globe delivered very good returns for the quarter, helped by an especially strong September. The JSE All Share Index delivered a total return of 8.74% for September and 13.3% for the three month period. Resources lagged the general market, returning 7.1% for the quarter. Despite the relatively good period, the Resources Index is still below its level at the start of the year.

Your fund outperformed the Resources Index and delivered 9.23%, slightly behind our benchmark (the mean return of our competitors) of 9.26%. For the last 12 months the fund returned 17.96% versus 13.10% for our benchmark.

For the quarter, our holdings in Mondi, Pan African and Metorex contributed to our performance, while Metmar, Hulamin and Pallinghurst detracted.

This quarter was yet another good illustration of the recent volatile market movements, with strong returns in July and September, and negative returns in August. Commodity prices have also been volatile, but generally continued the recovery in 2009 from the 2008 bottom. Most commodity prices are now back at levels last seen in 2008, and the gold price has reached an all time high in nominal terms. At the same time, the dollar weakened against most major currencies and the rand, which breached R7/\$, a level also last seen during 2008. The strong rand acted as a drag on fund performance given our high offshore exposure. We continue to believe that the maximum 20% offshore exposure is the right one for the longer term.

Everyone reading or watching the news gets assaulted on a daily basis by numerous analysts, forecasters, economists, astrologists and others trying to predict the future. We will decline to add our prediction to the tumult and stick to J.P Morgan's reply when asked what the stock market will do: "It will fluctuate."

Our main focus is on calculating the correct value for the businesses operating in the resource sector. Based on our own research and long-term valuation methods, we believe that your portfolio is well placed for a number of future scenarios. After underperforming the general equity market and many other asset classes, we believe that reasonable returns are still available in the sector.

**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

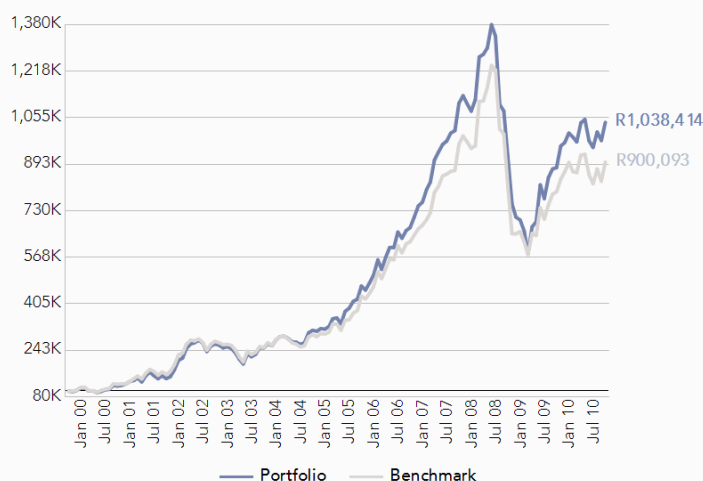
**Fund size** R196.71 million  
**NAV** 8038.22 cents  
**Benchmark/Performance Fee Hurdle** Resources & Basic Industries Sector Mean

**Risk profile**



## PERFORMANCE AND RISK STATISTICS<sup>1</sup>

### GROWTH OF A R100,000 INVESTMENT



## PORTFOLIO DETAIL

### EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2010	
<b>Domestic Assets</b>	<b>72.2%</b>	
■ <b>Equities</b>	<b>71.4%</b>	
Oil & Gas	15.2%	
Basic Materials	54.7%	
Industrials	0.6%	
Consumer Goods	0.9%	
■ <b>Cash</b>	<b>0.7%</b>	
<b>International Assets</b>	<b>27.8%</b>	
■ <b>Equities</b>	<b>27.2%</b>	
■ <b>Cash</b>	<b>0.6%</b>	

## PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	938.4%	800.1%	138.3%
Since Inception (annualised)	23.7%	22.1%	1.6%
Latest 5 years (annualised)	17.3%	15.8%	1.5%
Latest 3 years (annualised)	(2.0)%	(2.2)%	0.1%
Latest 1 year (annualised)	18.0%	13.1%	4.9%
Year to date	3.7%	0.2%	3.5%
2009	43.5%	36.7%	6.8%
2008	(35.2)%	(30.6)%	(4.6)%
2007	41.8%	39.5%	2.3%
2006	50.1%	46.1%	4.1%

## TOP 10 HOLDINGS

As at 30 Sep 2010	% of Fund
Sasol Ltd	15.2%
Anglo American Plc	13.8%
BHP Billiton Plc	9.1%
Zimplats Holdings Ltd	5.8%
Pan African Resources PLC	5.8%
Impala Platinum Holdings Ltd	5.8%
Mondi Plc	5.1%
OAO Gazprom Reg	4.5%
Exxaro Resources Ltd	3.5%
Evrax Highveld Steel and Vanadium Ltd	3.2%

## RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	24.2%	23.7%
Sharpe Ratio	0.57	0.51
Maximum Gain	93.4%	75.6%
Maximum Drawdown	(57.9)%	(53.4)%
Positive Months	63.6%	62.1%

## INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	25.05	24.43	0.62
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

## MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(1.4)%	(1.7)%	6.9%	1.1%	(7.1)%	(2.4)%	5.7%	(3.0)%	6.5%				3.7%
Fund 2009	(5.6)%	(11.8)%	16.0%	2.5%	18.7%	(5.9)%	9.5%	3.6%	0.5%	8.6%	1.3%	3.5%	43.5%
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)%

## FEES (excl. VAT)

<b>Initial Fee</b>	Coronation: 0.00%
<b>Annual Management Fee*</b>	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.	
<b>Total Expense Ratio (TER)<sup>2</sup></b>	1.20% per annum

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). <sup>1</sup>Performance is quoted from Morningstar as at 30 September 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. <sup>2</sup>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 2010, as well as the actual performance fee incurred over the 12 months to end June 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)

- 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.