

PORTFOLIO MANAGER COMMENTARY

The fund had a strong absolute performance in the final quarter of the year, delivering a return of 7.3% although this was behind the benchmark return of 8.4%. For the year the fund remained comfortably ahead of benchmark, delivering a return of 5.2% compared to 2.2% from the benchmark.

The major contributor to the fund's outperformance for the 12-month period was our position in British American Tobacco (BAT). This defensive, globally diversified business performed extremely well in the tough environment exhibited in 2011. This is important as BAT is a share that we have owned for a number of years. Our holding detracted from performance for a couple of years as the markets rallied strongly in the period following the global financial crisis, and ignored the compelling characteristics of BAT's strong cash generation and defensive earnings. It was only in the past year, as the magnitude of the world's economic troubles became properly appreciated, that the share outperformed strongly, assisted by the weakness of the rand.

In contrast, showing how the South African economy has to date been isolated from the global crisis to some extent, the second best performing holding in our fund for the year was Woolworths. This high end food and broad market apparel retailer has aggressively tackled its cost base and done a much better job on its assortments in clothing to deliver strong earnings growth with potential for more to come.

Finally, the other major positive contributor to performance was our holding in the branded food producer Tiger Brands. The company has emerged from a period of tough competition from imports in extremely good shape with a lean cost base and an impressive array of branded food products which are consistently rated as no. 1 in their respective categories. The market is also increasingly interested in their potential growth into sub-Saharan Africa.

Against this, our underweight position in Old Mutual detracted from performance. The share rallied strongly in the final month of the year as they managed to sell their Scandinavian operations for a better than expected price. We however remain unconvinced about the long-term potential for this business. We also had no exposure to Shoprite, which continued to perform extremely well on the back of high expectations for its African operations. Trading at over 20 times next year's earnings it looks extremely expensive.

Looking forward into 2012, we expect markets to remain volatile given the uncertain economic and political environment in all the major global economies. Against this uncertain environment we continue to focus on businesses that either have very defensive earnings, or those that already price in a very negative outcome.

In the former camp we would include BAT, Tiger Brands, SABMiller and MTN – all significant positions in the fund. In the latter camp would be domestic banks which are tainted by the global dislike for banks, even though they do not face the same risks. On 9 times earnings and dividend yields of 4% - 5%, they remain attractively priced investments.

What remains an interesting debate is the outlook for resources, and the impact on the commodity producers. Some measure of slowdown from China is already reflected in the price of most industrial commodities and very much so in the share prices of the producers. Given this we have continued to hold and added to the big diversified miners. We believe the valuations are such that even at much lower commodity prices there is still good value to be had.

We believe the fund is well positioned to continue to deliver exceptional market beating performance over the long term. The current volatility offers the active stock picker the opportunity to invest in great businesses at very attractive prices which will ultimately deliver the returns.

Portfolio managers

Neville Chester and Pallavi Ambekar

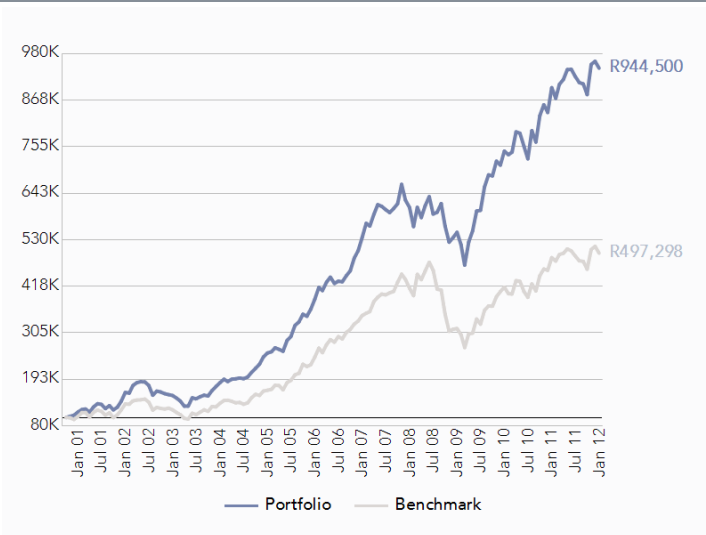
Fund category Domestic - Equity - Large Cap
Fund description Aims to outperform the FTSE/JSE Top 40 Index, is actively managed and typically holds no more than 20 large cap stocks at any point in time.
Launch date 01 October 2000
Portfolio manager/s Neville Chester and Pallavi Ambekar

Fund size R 9.00 billion
NAV 7695.71 cents
Benchmark FTSE/JSE Africa Top 40 Index
Risk profile



PERFORMANCE AND RISK STATISTICS ¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Launch (unannualised)	844.5%	397.3%	447.2%
Since Launch (annualised)	22.1%	15.3%	6.8%
Latest 10 years (annualised)	19.4%	14.1%	5.3%
Latest 5 years (annualised)	12.0%	7.5%	4.5%
Latest 3 years (annualised)	19.9%	16.4%	3.5%
Latest 1 year (annualised)	5.2%	2.2%	3.0%
Year to date	5.2%	2.2%	3.0%
2010	20.6%	17.2%	3.4%
2009	35.9%	31.7%	4.1%
2008	(9.9)%	(23.6)%	13.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	18.0%	20.1%
Sharpe Ratio	0.71	0.30
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	61.5%	57.8%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	(2.9)%	3.9%	1.3%	2.6%	0.1%	(1.8)%	(1.6)%	(0.4)%	(2.9)%	8.3%	0.8%	(1.7)%	5.2%
Fund 2010	(1.2)%	0.8%	6.7%	(0.4)%	(4.0)%	(4.0)%	9.4%	(3.5)%	8.3%	3.2%	(2.2)%	7.2%	20.6%
Fund 2009	(5.5)%	(9.5)%	11.9%	5.1%	8.8%	0.3%	9.4%	4.4%	(0.4)%	5.2%	(1.3)%	4.8%	35.9%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.00% 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.
 When applicable, Coronation shares in the fund performance above the performance fee hurdle. This performance fee is accrued daily, based on performance over a rolling 24-month period, and paid to Coronation monthly. If the fund produces a return in line with the benchmark, the standard minimum fee will be levied. If the fund produces a return below the benchmark, over a rolling 24-month period, the discounted minimum fee applies.

Total Expense Ratio (TER)²	1.84% per annum, which includes a performance fee of 0.58%
--	--

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2011
Domestic Assets	100.0%
■ Equities	96.2%
Oil & Gas	9.4%
Basic Materials	25.4%
Industrials	4.5%
Consumer Goods	11.2%
Health Care	4.9%
Consumer Services	8.6%
Telecommunications	9.9%
Financials	20.9%
Derivatives	1.4%
■ Real Estate	3.6%
■ Cash	0.3%

TOP 10 HOLDINGS

As at 31 Dec 2011	% of Fund
Standard Bank Of SA Ltd	9.9%
MTN Group Ltd	9.9%
Sasol Ltd	9.4%
Anglo American Plc	8.9%
Bhp Billiton Plc	6.5%
Naspers Ltd	6.1%
Nedbank Group Ltd	5.3%
Mondi Plc	4.0%
British American Tobacco Plc	4.0%
Bidvest Group Ltd	3.8%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2011	03 Oct 2011	81.41	80.12	1.29
31 Mar 2011	01 Apr 2011	131.89	130.12	1.77
30 Sep 2010	01 Oct 2010	51.23	49.81	1.42
31 Mar 2010	01 Apr 2010	17.09	15.71	1.38

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 2011 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 2011, as well as the actual performance fee incurred over the 12 months to end September 2011. 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.