PORTFOLIO MANAGER COMMENTARY

Despite ongoing volatility in global markets, the fund delivered a good performance in the first half of the year, appreciating by 8.50% (in ZAR). As reference points, the MSCI World Index returned 7.88% year to date and the JSE All Share Index is up a rather anaemic 0.50%. In USD the fund generated a year-to-date return of 6.23%. Since the fund launched 12 years ago it has generated a return of 12.74% p.a. in rand terms.

We currently view global equities to be the most attractive asset class by far and as a result the bulk of the fund (just over 70%) is invested in this area. After 10 years of global share prices being flat (at a time when earnings have grown significantly), valuations have contracted and as a result one can buy very high quality US or global businesses on very attractive ratings. The list of opportunities is long, but a sample of the fund's current large holdings provides some flavour in this regard.

- HEINEKEN is the world's third largest brewer (after Anheuser-Busch Inbev and SABMiller). It is the global leader within the high margin premium sector and fast-growing emerging markets contribute 50% of its revenue. In addition to a revenue line that in our view will show decent growth over the next few years, we don't believe the company has been managed efficiently from a cost point of view but that this is beginning to change. We therefore expect operating margins to improve substantially over the next few years. Despite these positive fundamentals, Heineken trades on just 12.5x the free cash flow we believe it will generate over the next one-year period.

- SAFEWAY is the third largest supermarket retailer in the US (after Walmart and Kroger). Between 2004 and 2008, the company invested heavily in store improvement which is now largely complete. As a consequence the business is generating significant amounts of free cash flow. Operating margins are at 20-year lows and the company should benefit from rising inflation in the US. Safeway also continues to buy back large amounts of its own (undervalued) shares. Yet, one can currently buy the shares on less than 10x free cash flow.

- VODAFONE is one of the largest mobile telecommunications companies in the world. While mobile penetration is very high in most of the markets it operates in, we are very positive on the prospects for mobile data which we believe should result in some acceleration of revenue. In addition to this Vodafone currently receives no dividends from its US business (Verizon Wireless), though we believe it is just a matter of time before this changes. As a result large additional cash flows are likely to head Vodafone's way soon and a substantial part of this could be returned to shareholders in the form of increased dividends or share buy-backs. Vodafone today trades on less than 10x free cash flow and on a dividend yield of around 5.5%, which we feel is very attractive given the factors mentioned above.

We acknowledge that there are still many uncertainties in the world (e.g. Greece's debt problem, US deficit, weak global economic growth and inflation risks globally), but we continue to find valuations of many global equities very attractive and, as always, valuation overrides everything else. In addition to this, the five-year free cash flow streams of businesses like Heineken, Safeway and Vodafone are unlikely to be too affected by global economic outcomes, yet the share prices continue to languish, and indeed move down on any bit of negative economic newsflow. This is in our view the function of markets that are dominated by short-term focused 'investors' who think in terms of months and not years. At the same time this provides opportunity for a more patient investor.

The South African exposure in the fund continues be very low (around 15% of fund), primarily as a result of our view that SA assets are far less attractive than global assets from a valuation point of view. A secondary reason driving this asset allocation decision is our view that the ZAR is overvalued. We did add small positions in two South African resource stocks (Anglo American and Impala Platinum) over the past few months, both of which we think offer good value as a result of investors focusing excessively on shorter-term issues. We are broadly negative on commodities with our view being that current commodity prices are trading well above long-term normalised levels. The share prices of Anglo American and Impala however, still come out as being attractively valued using normalised commodity prices.

We believe that globally government bonds have benefited from a flight to safety and as such are overvalued. This ranges from US to German to UK government bonds. As a result the fund currently has zero exposure to government bonds as we feel they present a high probability of capital loss.

Portfolio manager
Gavin Joubert

CORONATION OPTIMUM GROWTH

CLASS A as at 30 June 2011

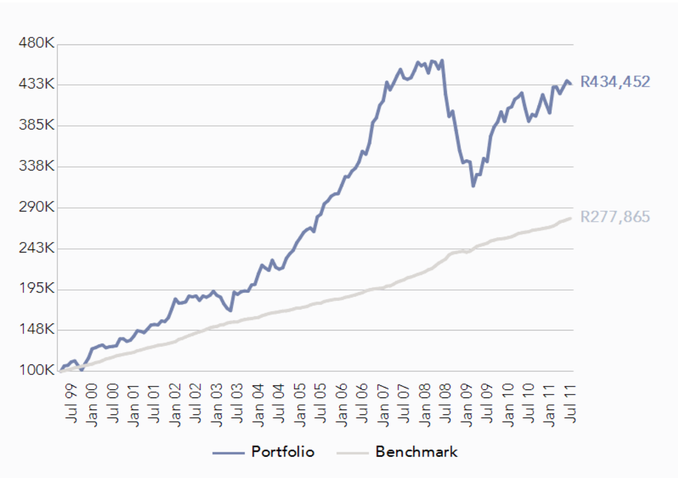
CORONATION FUND MANAGERS

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 1.14 billion
NAV	3579.86 cents
Benchmark/Performance Fee Hurdle†	CPI + 5% p.a.
Risk profile	7/10 Aggressive

PERFORMANCE AND RISK STATISTICS[1]

GROWTH OF A R100,000 INVESTMENT



RISK AND RETURNS VS BENCHMARK (ZAR)

	Fund	Benchmark	Outperformance
Since inception (unannualised)	334.5%	178.3%	156.2%
Since inception (annualised)	12.7%	11.5%	1.2%
Latest 10 years (annualised)	10.9%	11.3%	(0.4)%
Latest 5 years (annualised)	4.1%	11.9%	(7.8)%
Latest 3 years (annualised)	1.0%	10.5%	(9.6)%
Latest 1 year (annualised)	11.2%	10.1%	1.1%
Year to date	8.5%	6.2%	2.3%
Annualised Deviation	11.5%	N/A	
Sharpe Ratio	0.25	N/A	
Downside Deviation	7.1%	N/A	
Positive Months	66.0%	N/A	

PERFORMANCE FOR VARIOUS PERIODS (USD) VS MSCI WORLD (USD)

	Fund	MSCI World	Outperformance
Since inception (unannualised)	297.8%	46.8%	251.0%
Since inception (annualised)	11.9%	3.2%	8.7%
Latest 10 years (annualised)	12.9%	4.5%	8.3%
Latest 5 years (annualised)	5.2%	2.8%	2.4%
Latest 3 years (annualised)	6.0%	1.0%	5.0%
Latest 1 year (annualised)	26.1%	31.2%	(5.1)%
Year to date	6.2%	5.6%	0.6%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Jun 2011
Equities	**87.3%**
North America	35.6%
Europe	19.8%
South Africa	15.1%
Asia	13.9%
Latin American	2.3%
Japan	0.6%
Bonds	**1.1%**
Europe	1.1%
Cash	**11.5%**
Other	5.1%
USD	3.7%
ZAR	2.7%

TOP 10 HOLDINGS

As at 30 Jun 2011	% of Fund
Coronation Global Emerging Market Fund	6.5%
Great Wall Motor Company Ltd	3.7%
Safeway Inc	3.4%
Vodafone Group Plc	2.8%
Naspers Ltd	2.4%
Microsoft Corp	2.3%
Heineken Holdings Ltd	2.3%
Apple Inc	2.3%
Google Inc	2.2%
Cisco Systems Inc	2.2%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2011	01 Apr 2011	2.74	2.27	0.47
30 Sep 2010	01 Oct 2010	16.67	15.18	1.49
31 Mar 2009	01 Apr 2009	29.60	26.43	3.17
30 Sep 2008	01 Oct 2008	27.68	25.03	2.65

MONTHLY PERFORMANCE RETURNS (ZAR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	7.5%	0.1%	(1.8)%	1.8%	1.8%	(0.8)%							8.5%
Fund 2010	0.5%	2.2%	0.7%	1.1%	(4.3)%	(3.6)%	2.1%	(0.5)%	2.9%	3.3%	(2.6)%	(2.5)%	(1.3)%
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%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum: 1.00% Maximum: 3.00% 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. The maximum fee was reduced from 3.50%, effective 1 May 2011.

When applicable, Coronation shares in the fund performance above the performance fee hurdle. 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 applies. For further information regarding our fee structure please contact us or visit our website.

Total Expense Ratio (TER)[2]	1.05% per annum, which includes a performance fee of 0.00%

†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.

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). [1]Performance as calculated by Coronation as at 30 June 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. [2]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 March 2011, 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 funds 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.

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.