

PORTFOLIO MANAGER COMMENTARY

The first quarter of 2011 was a volatile period, marked by gyrating equity markets as major political change in the Middle East and some major natural disasters impacted on investors' appetite for risk. Despite this backdrop, the fund performed well and generated a return of 1.6% against its benchmark return of 1.0%, and also beating the FTSE/JSE All Share Index return of 1.1%.

The market-beating returns were generated by a number of factors. Firstly, we had very low exposure to nominal bonds which underperformed on the back of a very poor Budget, which showed much greater debt issuance in the coming years to fund a larger-than-expected deficit. Secondly, our domestic stock selection delivered a good result and outperformed the benchmark. Finally, a big portion of our equity weighting was exposed to international equity which performed better than domestic equity during the period.

Our increased weighting to resources significantly contributed to the equity performance as we saw a general re-rating in this sector due to higher commodity prices and great cash flows announced in their full-year results for 2010. As a result, we have started looking to reduce this exposure slightly. We have not moved as dramatically as we did in 2008 as we do still see some selective value in this sector, but the opportunity is not as obvious as before.

Our industrial stock selection remains biased towards businesses with exposure to growth outside of SA as we remain concerned about the combination of low local growth and high domestic stock valuations. Instead, we are invested in businesses like MTN, SABMiller and Naspers which offer high quality exposure to other fast growing markets at a reasonable price.

As alluded to in previous commentaries, we are still overweight the banking sector. Our investment thesis here has been proven in the recent round of results which showed a significant declining trend in bad debts which more than offset the slowing top line. We expect this to continue into 2012, with good earnings growth and more importantly good dividends forecast for the future.

Our fixed interest exposure remains focused on floating rate notes and inflation-linked bonds as we are still very concerned about rising inflation risks in SA and what that will do to future interest rate levels. Through select credit exposures we manage to earn higher yields than other cash alternatives. Even though government nominal bonds have sold off we do not yet deem them to be attractive investments.

We have started adding to some high yield offshore bonds where we believe we know and understand the credit risk well and can earn above average returns. This has boosted the return on our non-equity offshore holdings. Outside of this we remain fairly heavily invested globally in equities where we still see better value than in the domestic market.

Portfolio manager
Neville Chester

Fund category Domestic - Asset Allocation - Flexible
Fund description Invests across various domestic and international asset classes, with a bias towards the equity market over the investment cycle.
Launch date 02 July 2001
Portfolio manager/s Neville Chester

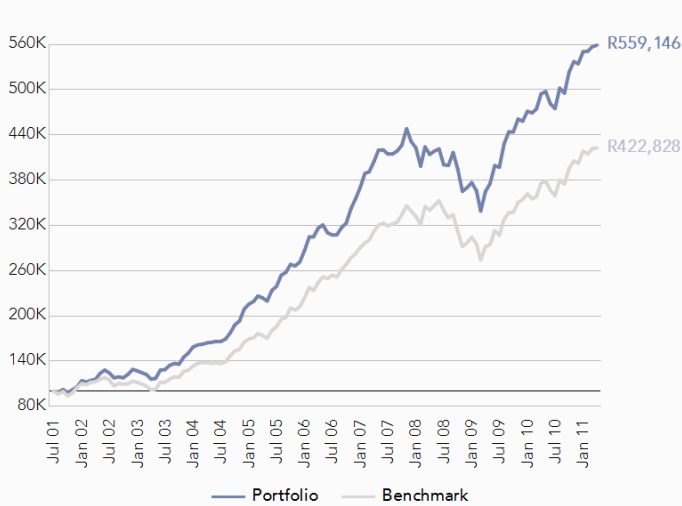
Fund size R 2.12 billion
NAV 4381.26 cents
Benchmark Composite (63% equity, 22% bonds, 10% international, 5% cash) + 2% p.a.

Risk profile



PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	459.2%	323.0%	136.2%
Since Inception (annualised)	19.3%	17.4%	1.9%
Latest 5 years (annualised)	12.1%	13.4%	(1.4)%
Latest 3 years (annualised)	10.5%	9.3%	1.2%
Latest 1 year (annualised)	13.1%	14.5%	(1.4)%
Year to date	1.6%	1.5%	0.1%
2010	16.8%	17.9%	(1.1)%
2009	25.1%	21.1%	4.0%
2008	(10.9)%	(7.2)%	(3.7)%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	12.0%	11.8%
Sharpe Ratio	0.82	0.50
Maximum Gain	36.7%	29.3%
Maximum Drawdown	(24.4)%	(23.6)%
Positive Months	67.5%	67.5%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	0.1%	1.1%	0.4%										1.6%
Fund 2010	(0.4)%	1.1%	4.2%	0.6%	(3.3)%	(1.3)%	5.7%	(1.3)%	5.6%	2.7%	(0.5)%	3.0%	16.8%
Fund 2009	(2.9)%	(7.4)%	7.7%	2.8%	6.4%	(0.5)%	7.8%	3.8%	0.0%	3.8%	(0.6)%	2.9%	25.1%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.25% Minimum - discounted: 0.75% 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 12-month period, and paid to Coronation monthly. If the fund produces a 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 60-month period, the discounted minimum fee applies. For further information regarding our fee structure please contact us or visit our website.

Total Expense Ratio (TER)²	1.71% per annum, which includes a performance fee of 0.33%
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PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Mar 2011	
Domestic Assets	73.1%	
■ Equities	45.0%	
Oil & Gas	4.7%	
Basic Materials	9.7%	
Industrials	2.8%	
Consumer Goods	5.1%	
Health Care	2.0%	
Consumer Services	6.8%	
Telecommunications	4.9%	
Financials	10.9%	
Derivatives	(2.0)%	
■ Preference Shares & Other Securities	4.8%	
■ Real Estate	5.4%	
■ Bonds	15.7%	
■ Cash	2.2%	
International Assets	26.9%	
■ Equities	21.9%	
■ Real Estate	1.3%	
■ Bonds	2.0%	
■ Cash	1.6%	

TOP 10 HOLDINGS

As at 31 Mar 2011	% of Fund
Coronation Gbl Opp Eqty Fd CI B	13.6%
MTN Group Ltd	4.9%
Sasol Ltd	4.7%
Standard Bank of SA Ltd	4.5%
Coronation Global Emerging Markets Fund	3.9%
Anglo American Plc	3.7%
SABMiller Plc	3.0%
Naspers Ltd	2.9%
British American Tobacco Plc	2.7%
Capital Shopping Centre Group	2.3%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2011	01 Apr 2011	56.75	34.31	22.44
30 Sep 2010	01 Oct 2010	49.19	30.02	19.17
31 Mar 2010	01 Apr 2010	34.88	19.05	15.83
30 Sep 2009	01 Oct 2009	36.01	20.37	15.64

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