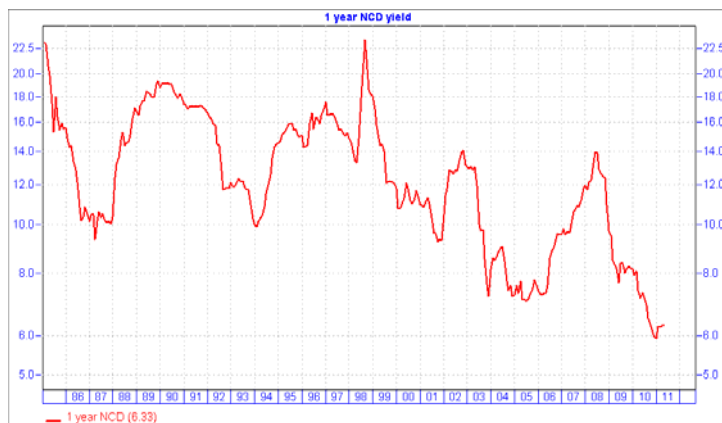


## PORTFOLIO MANAGER COMMENTARY

The fund returned 6.52% for the 12-month period to end March 2011 compared to the 3-month STeFI benchmark which returned 6.18%. The fund has been at a 90 day duration during this period of declining interest rates.

One-year deposit rates have fallen significantly to a new low of 5.95% from their last peak in mid-2008 of 14%. The long-term chart of the one-year NCD below shows the series of interest rate cycles experienced in SA since 1986. It is clear that new lows have been achieved over time as average inflation levels have moved down. The FRA curve is factoring in a 3% interest rate rise over the next two years, based on the view that inflation is expected to head towards 6% over the next year.



We have favoured the use of floating rate notes which on average provide a yield pick-up of 0.7% over prevailing money market rates. This strategy will prove to be useful as interest rates start to rise, giving the portfolio a hedge against rising interest rates.

We keep a careful check on the quality of corporate credit introduced into the fund. Corporate credit refers to anything not government guaranteed, meaning that you rely on the financial soundness of the company to ultimately repay the capital and interest owing on maturity. Typical names included in the fund are MTN, Transnet, Eskom, Aspen Pharmacare, SABMiller, ACSA, Unilever, Mercedes Benz, Bidvest and Barloworld. These are well established, financially sound businesses and parastatals.

We are big believers in the ultra conservative stance needed when dealing with investors' cash assets and therefore whilst being selective of the name, we are particularly strict on pricing and demand a suitable yield pick-up over the risk-free rate for each instrument we consider. Simply speaking, if it's not the right yield pick-up for the name, we do not participate.

Given the banks' extensive involvement in the money market it should come as no surprise that the largest exposure in the fund is to the big four South African banks. This should be the case in any conservatively structured money market fund. These instruments are highly liquid, ensuring that the fund can be disinvested at short notice.

**Portfolio manager**  
Tania Miglietta

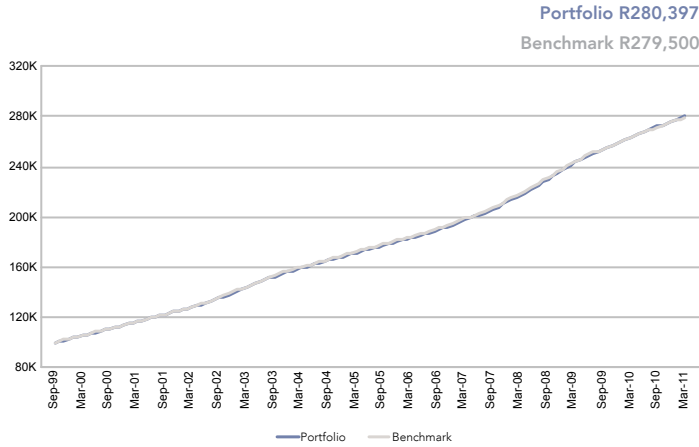
**Fund category** Domestic - Fixed Interest - Money Market  
**Fund description** A fund which aims to outperform fixed deposits and call accounts, while ensuring capital preservation, stability and liquidity.  
**Launch date** 01 October 1999  
**Portfolio manager/s** Tania Miglietta

**Fund size** R 1.62 billion  
**NAV** 100.00 cents  
**Benchmark** Alexander Forbes 3-month (SteFl) Index  
**Risk profile**



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

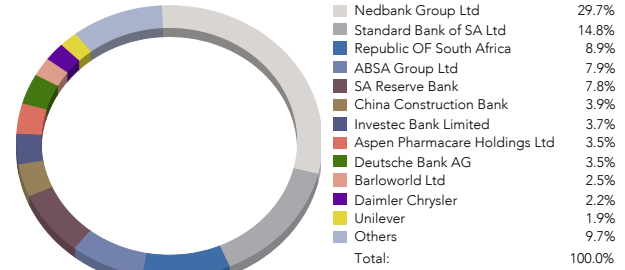
### GROWTH OF A R100,000 INVESTMENT



## PORTFOLIO DETAIL

### CREDIT EXPOSURE

As at 31 Mar 2011



## PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	180.4%	179.5%	0.9%
Since Inception (annualised)	9.4%	9.3%	0.0%
Latest 10 years (annualised)	9.2%	9.1%	0.1%
Latest 5 years (annualised)	8.9%	8.7%	0.2%
Latest 3 years (annualised)	8.8%	8.5%	0.4%
Latest 1 year (annualised)	6.5%	6.2%	0.3%
Year to date	1.4%	1.3%	0.1%
2010	6.9%	6.6%	0.3%
2009	9.0%	8.6%	0.4%
2008	12.0%	11.7%	0.3%

## MATURITY PROFILE DETAIL

Maturity Bucket	31 Mar 2011
0 to 3 Months	62.4%
1 to 3 Years	0.0%
3 to 6 Months	29.8%
3 to 7 Years	0.0%
6 to 9 Months	5.4%
7 to 12 Years	0.0%
9 to 12 Months	2.4%
Over 12 Years	0.0%

## RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	0.57%	0.61%
Sharpe Ratio	(0.66)	(0.67)
Maximum Gain	180.4%	179.5%
Maximum Drawdown	0.0	0.00
Positive Months	100.0%	100.0%

The price of each unit is aimed at a constant price of 100 cents per unit. The total return to the investor is primarily made up of interest received but, may also include any gain or loss made on any particular instrument. In most cases this will merely have the effect of increasing or decreasing the daily yield, but in an extreme case it can have the effect of reducing the capital value of the fund.

## INCOME DISTRIBUTIONS

Declaration	Payment	Yield
31 Mar 2011	01 Apr 2011	5.74
28 Feb 2011	01 Mar 2011	5.59
31 Jan 2011	01 Feb 2011	5.67
31 Dec 2010	03 Jan 2011	5.84

## MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2011	0.51%	0.43%	0.50%										1.40%
Fund 2010	0.57%	0.56%	0.66%	0.59%	0.59%	0.56%	0.55%	0.57%	0.54%	0.48%	0.52%	0.49%	6.90%
Fund 2009	0.96%	0.86%	0.92%	0.80%	0.70%	0.71%	0.66%	0.63%	0.61%	0.60%	0.61%	0.62%	9.00%

## FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	0.25%

\* 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 fee reduced to 0.25% from 0.30% (exc. VAT) from 1 September 2010.

Total Expense Ratio (TER) <sup>2</sup>	0.34% per annum
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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 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. <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 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)

- An ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- Ongoing advice fees may be negotiated to a maximum of 0.25% per annum 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.