

PORTFOLIO MANAGER COMMENTARY

All sectors of the bond market beat cash during April, especially medium and longer dated bonds as well as inflation-linked bonds which returned a substantial 2% for the month. The fund returned 0.8% in April and 10.67% over the last 12 months.

Following the repo rate cut in March (to 6.5%), market optimism on rate cuts waxed and waned during April. At first, the market appeared to price in no further rate cuts but then, around mid-April, optimism started growing on some weaker-than-expected data (resulting in a significant decline in shorter-dated FRA yields). However, later in the month (following a speech by SARB Governor Marcus – in which she stated that ‘the scope for further easing is limited, and the repurchase rate is likely to remain stable for some time’) FRAs retraced all their gains. Bond yields followed these movements in the FRAs.

As mentioned, inflation-linked bonds had a strong month. This was exemplified by the R197; the yield had traded in a 3.25% - 3.35% range for much of 2010, but rallied sharply at the end of April to close the month at 3.06%. The reason for this is most likely due to the sharp fall in issuance, from R500 million weekly to just R25 million where demand has remained strong. We took significant exposure to inflation linkers last year and earlier this year as yields were attractive, as well as the hedge aspect (directly against inflation and indirectly against possible rand weakness).

Other local news included additional better-than-expected inflation data, strong car sales and weak retail sales. However, the focus of the month was global, as the sovereign debt crisis in Greece escalated to the point where the EU and IMF have stepped in to provide a bail-out to prevent Greece defaulting on its debt. There were concomitant bouts of risk aversion during April, although the rand continued to hold up relatively well during the month. However, as concerns around Greece escalated, the rand started weakening more noticeably. This weakening happened in tandem with that of other risky assets.

Money market rates remain low with yields of around 6.5%. The fund's exposure to cash has been reduced as it shifted into higher yielding corporate bonds.

Property had a good month returning 1.85%, but on diminished newsflow it has been tapering down after the strong momentum seen in the first quarter. Positive signals are coming through selectively in the retail sector where vacancies are diminishing, but the office sector remains vulnerable as vacancies are not yet improving and rentals are under pressure. Going forward, in our view the property sector on balance remains fairly priced but there are selected shares which still offer the potential to outperform the market.

The combination of the assets in the portfolio currently yields over 8.5% in a market where interest rates are now at historic lows.

Portfolio managers

Mark le Roux and Tania Miglietta

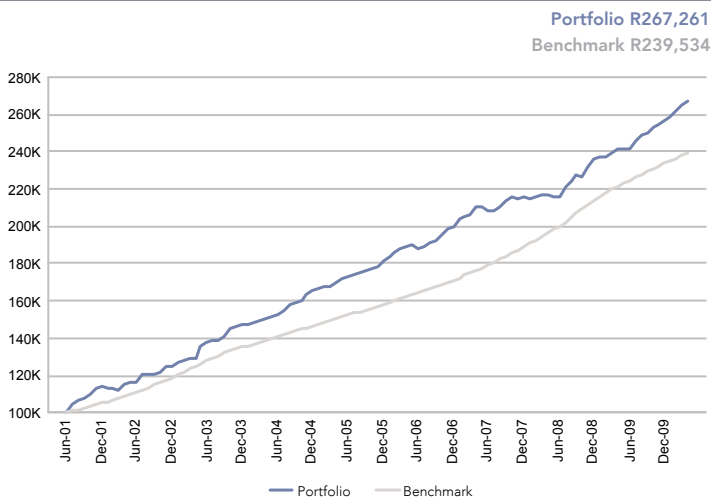
Fund category Domestic - Fixed Interest - Varied Specialist
Fund description A widely diversified, actively managed fund that aims to provide a higher level of income than a pure income fund.
Launch date 02 July 2001
Portfolio manager/s Mark le Roux and Tania Miglietta

Fund size R 3.41 billion
NAV 1308.77 cents
Benchmark 110% of the STeFI 3-month Index
Risk profile

Cons **Mod** **Aggr**

PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	167.3%	139.5%	27.7%
Since Inception (annualised)	11.8%	10.4%	1.4%
Latest 5 years (annualised)	9.5%	9.7%	(0.2)%
Latest 3 years (annualised)	8.4%	10.7%	(2.4)%
Latest 1 year (annualised)	10.7%	8.2%	2.5%
Year to date	4.4%	2.5%	1.9%
2009	8.2%	9.5%	(1.3)%
2008	9.7%	13.0%	(3.2)%
2007	7.7%	10.4%	(2.7)%
2006	10.4%	8.2%	2.2%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	3.3%	0.7%
Sharpe Ratio	0.59	0.85
Maximum Gain	29.2%	139.5%
Maximum Drawdown	(1.3)	N/A
Positive Months	89.6%	100.0%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	1.08%	1.09%	1.34%	0.80%									4.40%
Fund 2009	0.35%	0.06%	0.60%	1.08%	0.06%	0.12%	1.41%	1.24%	0.82%	1.17%	0.55%	0.50%	8.20%
Fund 2008	(0.26)%	0.34%	0.39%	(0.09)%	(0.29)%	0.24%	2.45%	1.43%	1.02%	(0.15)%	2.39%	1.90%	9.70%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee*	0.85%

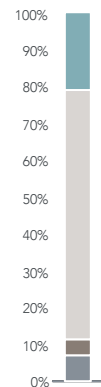
* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.
 The annual management fee applicable to the A-class was reduced from 1.00% p.a. (excl. VAT) to 0.85% p.a. (excl. VAT) effective 1 October 2009.

Total Expense Ratio (TER)²	1.04% per annum
--	-----------------

PORTFOLIO DETAIL

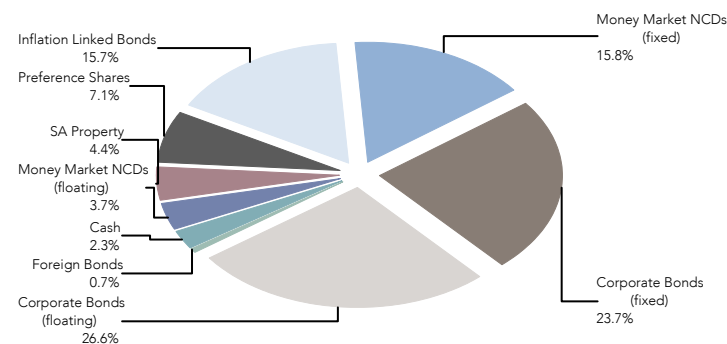
EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Apr 2010
Domestic Assets	95.1%
Cash	20.1%
Bonds	63.4%
Listed Property	4.4%
Preference Shares	7.1%
International Assets	4.9%



PORTFOLIO COMPOSITION

As at 30 Apr 2010



INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
31 Mar 2010	01 Apr 2010	26.39	2.37	24.02
31 Dec 2009	04 Jan 2010	20.77	0.57	20.20
30 Sep 2009	01 Oct 2009	23.30	2.72	20.58
30 Jun 2009	01 Jul 2009	23.11	1.32	21.79

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.

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 is quoted from Morningstar as at 30 April 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. 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 March 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.